

IRAN

a short
political
guide

by JOHN MARLOWE

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Throughout its two thousand-year history, Iran has kept its cultural identity intact and eluded foreign domination. Now an uneasy neighbor of the Soviet Union and one of the richest oil-producing countries in the world, it occupies a position of great strategic importance to both East and West. Threatened internally by ideological divisions among the intelligentsia, the aftermath of uncontrolled inflation, and the great gap between rich and poor, Iran is extremely vulnerable to the external pressures of the competing Cold War giants. This clear, concise, and objective study of the complexities of the Iranian political scene, written by the author of *ARAB NATIONALISM AND BRITISH IMPERIALISM* and *THE PERSIAN GULF IN THE TWENTIETH CENTURY* is prefaced by both an able description of the country and a brilliant short discussion of its history. This book should prove invaluable to all those who wish to understand this Western stronghold in the Middle East.

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BOOKS THAT MATTER

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I

LAND AND PEOPLE

The country of Iran, or Persia,* within its present political boundaries, occupies a surface area of approximately 1,645,000 square kilometres. It extends for about 2,600 kms. from north to south and about 2,100 kms. from east to west. It is situated between latitude 37° and latitude 25° north and between longitude 44° and longitude 61° east. It is bounded on the north by the U.S.S.R. and the Caspian Sea, on the south by the Persian Gulf and the Gulf of Oman, on the east by Afghanistan and Pakistan, and on the west by Turkey and Iraq.

The physical configuration of the country is determined by two mountain ranges which extend into Persia from the hinge of Mount Ararat at the north-western corner of Persia near the junction of the Russian, Turkish and Persian frontiers. One range extends more or less due east along Persia's northern frontier; the highest part of this range, along the south coast of the Caspian, is known as the Elburz and rises to a maximum height of 5,604 m. at Mount Damavand. The other range, called the Zagros, the highest part of which runs parallel to the Persian Gulf, runs south-east from the Ararat hinge along Persia's western frontiers with Turkey and Iraq, and then parallel to the Persian Gulf as far as the Straits of Hormuz. The peaks of the range, towards the southern end, rise to a height of up to 4,700 m. Central Persia consists of the large triangle between these two ranges, with its apex on Persia's north-western frontier and with its base along the eastern frontier; it is a vast plateau lying at an average height of about 1,000 m. above sea level. Most of the large cities and towns of Persia are situated

*Iran is the name used by the inhabitants themselves. In England, it was known as Persia until 1935 when Reza Shah decreed that the word Iran only was to be used. The present Shah has authorised both versions. In this book the word Persia will be used except when referring to events after 1935; this seems consistent. British writers, writing before 1935, invariably refer to Persia; writing after 1935 they almost invariably refer to Iran.

round the periphery of this plateau—Tabriz, Qazvin, Tehran and Meshed along its northern, Hamadan, Qum, Isfahan, Yezd, Shiraz and Kerman along its southern periphery. Towards the centre the plateau slopes away into a vast salty desert, which is uninhabited except for a few scattered oases and which inhibits communications except round the periphery of the plateau. On the outer edge of the two mountain ranges are Persia's two narrow coastal plains, one between the Caspian and the Elburz, the other between the Zagros Mountains and the Persian Gulf.

The Karun, rising in the Zagros Mountains and flowing, first south-west and then due south through the alluvial plain of Khuzistan into the Shatt-al-Arab at the head of the Persian Gulf, is Iran's only navigable river. Two rivers, the Safid and the Lar and several smaller streams, rise on the northern slopes of the Elburz and flow into the Caspian. Two other rivers, the Karaj and the Jaj, flow south from the Elburz into the central plateau and eventually get lost in the great salt desert.

The mountain barrier of the Zagros at its southern end makes communications difficult between central Persia and the Persian Gulf. Communication between central Persia and the Caspian is relatively easy, either down the valley of the Safid at the western end of the Elburz range, or round the eastern flank of the Elburz, or down the valley of the Lar east of Mount Damavand. Until the building of the Trans-Iranian Railway, which was not completed until 1937, the most rapid means of transport between central Persia and Europe was via the Caspian to Baku and across the Caucasus to the Black Sea port of Batum. There is fairly easy communication with Baghdad and the Euphrates Valley and with Anatolia through the low passes of the northern Zagros range. There are no serious physical barriers between Persia and Transcaspia over the low mountains at the east of the northern range. The easiest route of communication east is from Meshed to Herat in Afghanistan; further south there are barriers of marsh and desert and the other road of eastward communication is along the coastal plain across Baluchistan.

Iran has a population of about 20 million. In the central plateau the population is of a remarkably homogeneous stock of Indo-European origin and with well-defined physical characteristics. Among the population of the frontier regions there is a good deal of racial admixture—Turkish blood in the north-west, Turcoman blood in the north-east, Arab blood in the south-west. There is a considerable Kurdish population in the north-western frontier regions which includes the eastern part of

'Kurdistan', that swathe of mountainous land inhabited by the Kurds stretching from south-eastern Turkey, through a small corner of Syria, across Iraq and into Persia.

The national language is Farsi, an Aryan language akin to Urdu and Pushtu which has been heavily overlaid with Arabic as a result of the Arab invasion in the seventh century A.D. The alphabet is the Arabic alphabet and about a quarter of the words in common use have been borrowed from Arabic.

The other permanent legacy of the Arab invasion is the Moslem religion. The official religion of Persia is the Shia variant of Islam which is professed by some 90 per cent of the inhabitants of Persia. Without embarking on a theological discussion it may be said that the two principal characteristics of Shia as compared with the orthodox Sunni Islam are: (a) a professional priesthood and, consequently, an influential ecclesiastical 'establishment' and (b) a cult of saint worship and a consequent veneration accorded to holy shrines. The two Holy Cities of Persia are Qum and Meshed, but the two principal Shia shrines are in Iraq—at Nejaf and Kerbela. (About one-third of the population of Iraq is Shia; most Iraqi Shias are of Persian origin). Apart from the majority of Shia Moslems, there are some Sunni Moslems, principally among those inhabitants of north-west Persia who are of Turkish extraction or of Kurdish race, a number of Armenian Christians, a handful of Zoroastrians (the ancient religion of Persia), and, chiefly among intellectual middle class circles, a very small number of Baha'is.*

The social structure in Iran today is typical of countries in the early stages of evolution from a subsistence to an industrial economy. At one end of the scale there is a small, very wealthy and politically powerful upper class whose wealth is principally derived from agricultural land holding. The political influence of this class is naturally directed against land reform and against effective direct taxation either of capital or income. Because the ruling Pahlevi dynasty is regarded by most members of this class as *parvenu* it has no close, natural or enduring connection with the Crown although it frequently tries to enlist the aid of the Crown in support of its material interests. Because its wealthier members can usually get their nominees elected to parliament, they have no objection to, and often find it convenient vociferously to express their support of,

*Baha'ism is a heretical variant of Islam which was founded in the mid-nineteenth century, was vigorously persecuted for many years, and is now tolerated but not encouraged.

the democratic procedure of elections and parliamentary control provided for in the Constitution. Most of them are foreign-educated, and most of them have money invested abroad. Partly because of this, but mainly because they are afraid of the implications to themselves of a strong nationalist movement, they tend to be 'collaborationist' in their attitude towards the Western Powers. They are, of course, strongly, and even hysterically, anti-communist. But they form no homogeneous political bloc. Many of them were supporters of Mossadeq's National Front (which is not, strictly speaking, a political party) in its hey-day. Generally, their politics are entirely opportunist.

At the other end of the scale is the vast majority of peasants. Among these there are, in some districts, a few small proprietors, but most of them are either small tenants, bound to the landlord by almost feudal tenures, or day labourers.* Apart from day labourers working wholly on the land and living permanently in the villages, there is, as is usual in this sort of economy, a large population of day labourers drifting between town and country, working as opportunity occurs in harvesting, building, etc., often sinking to the level of beggars, hawkers, pimps and petty criminals, living on the margin of subsistence or below it and providing raw material for such violent or merely vociferous expressions of public opinion as somebody may be prepared to pay for from time to time.

In the middle there is a still fairly small, but rapidly growing middle class of government and municipal officials, merchants, professional men, oil company employees, and particularly university teachers and students, and a small, compact group of relatively well-paid industrial workers, mostly employed either in the textile mills or in the oil industry. The richer and more successful members of this middle class can be equated, politically and socially, with the upper class, but among the rest, and particularly among the university students, can be found most of the radical opposition to the existing regime, personified by the Shah and identified, in their eyes, with domestic repression and with political and economic collaboration with the West. This radical opposition can be divided, somewhat arbitrarily, into a right and left wing. The right wing is represented by the 'National Front', which is not a political party but a loose assemblage of small groups tenuously linked together by various committees and working parties. There is, at present, no co-

*This position is now being drastically changed as a result of the current movement of land reform, which is converting thousands of tenants into small proprietors.

herent National Front policy. They are in favour of the Constitution and of 'free' elections; they are against press censorship and 'internal security' measures generally. They believe that they could get a sufficient number of supporters into an elected Majlis, provided that the government did not interfere too blatantly, to enable them, with the help of a 'free' press and the organization of popular demonstrations against CENTO, 'corruption', the oil companies, etc., to gain power in the same way that Mossadeq did. They are probably not clear what they would do with power when they got it. In foreign affairs they are for a neutral policy and against the western alliance policy of the present regime; in domestic affairs they are in favour of relegating the Crown to its strictly constitutional functions and of transferring the centre of power from the Crown to the Majlis; they are equivocal on land reform and are, in general, more interested in constitutional than in social affairs. They have, at the moment, no outstanding leader. Their supporters are variously cajoled, abused and harried by the government of the day.

The left wing is represented by the Tudeh or Communist Party. Since the Party is banned, and its overt activities severely repressed, it is difficult to form a just estimate of its actual and potential strength. When the authorities want to try and discredit the National Front they invariably charge them with being 'front men' for the Tudeh Party; this is an exaggeration but there is probably some truth in the view that the Tudeh Party is the left wing of the National Front, although National Front supporters indignantly, probably genuinely, and certainly prudently, repudiate any suggestion of any connection or alliance with the Tudeh. The Tudeh, for their part, are probably quite content to hide behind the National Front in the expectation that, in the atmosphere of demonstration and denunciation which would come about in the event of a serious bid for power by the National Front, they would be able to turn the situation to their advantage.

Trade-unionism among the workers is forbidden by the authorities but there can be little doubt that, where there is a large concentration of workers, as in Abadan oil refinery or in the textile mills in Isfahan, there is much communist propaganda, many communist sympathizers, and some communist organization. There is also little doubt that these workers would rally to the National Front in the event of serious National Front demonstrations against the present regime.

There are two powerful, and one once-powerful, elements in the existing social structure which cut right across the class structure we

have just described. One is the army. This is quite large—about 200,000 strong. By virtue of Iran's membership of CENTO, it receives considerable financial assistance from the United States—about 500 million dollars has been received by the army in American aid over the last 12 years. It also absorbs a large proportion of the national budget. Its military value is not high and its real function is that of a Praetorian Guard for the Shah, under whose direct command it is. Ever since his accession the Shah has carefully cultivated the allegiance of the army to himself and has used his influence unremittingly to secure for the army a generous proportion of the proceeds both of domestic taxation and of American aid. It was the army that was instrumental in bringing about the fall of Mossadeq and the restoration of the Shah to his temporarily vacated throne at the end of 1953. And it is the support of the army which has been the principal means by which the Shah has been able to rule as well as to reign ever since. As in other Middle Eastern countries the majority of army officers are middle rather than upper class and, as such, might be expected to be susceptible to the same sort of political ambitions and discontents as their civilian neighbours. But the principal reason for Mossadeq's fall was his inability to win over the army; since then, privileged treatment, together with the promotions, increased establishments, prestige and financial advantages which have accrued to the army as a result of Iran's membership of CENTO, together with a traditional military dislike for politicians, and a careful vetting of officers considered suitable for promotion to important commands, have probably contrived to keep unimpaired the army's loyalty to its royal master, who is identified in its eyes with the zealous guardianship of its interests in the teeth of those politicians who would like to reduce its size, its prestige and its ever-increasing expense.

The other powerful element to be taken into account in assessing the balance of forces in Iran is the Shia religious establishment—the mullahs, the professional divines, and their stronghold in the Holy City of Qum. At the beginning of the century the mullahs took a leading part in the popular agitation which led to the promulgation of the constitution in December 1906. Later, Reza Shah broke their power and reduced their leaders to silence or to exile. After Reza Shah's abdication in 1941 they gradually regained much of their former influence. They were a very powerful and extreme nationalist influence in the agitations which led up to Mossadeq's assumption of office and the

expulsion of the Anglo-Iranian Oil Company in 1951. The fanatical religious body known as the *Fedayan* was responsible, first for the attempted assassination of the Shah in 1949 and later for the actual assassination of the Prime Minister, Razmara, in 1951. The religious leader, Kashani, was an important influence in encouraging Mossadeq's intransigence both towards the Shah and the oil company. After Mossadeq's fall, the religious establishment was sufficiently powerful and sufficiently popular to enable it to compound with the new regime without loss of favour. (This transition was facilitated by the fact that Kashani had already broken with Mossadeq over the latter's tolerance of the Tudeh Party; the mullahs have always been impeccably anti-communist). Of late years the religious establishment has been identified with reactionary landlordism and has tried to exert its influence on the Shah and on public opinion in opposition to the gathering momentum of the movement for land reform, alleging that such land reform was against the tenets of Islam. Outward respect for the religious establishment is still almost an obligatory attitude on the part of Shah, government and people; its presumed influence as an antidote to communism among the masses still gives it a certain political influence; but the fact that backstairs intrigue has replaced popular demonstration as its principal political weapon seems to indicate a consciousness of its weakening power to influence the course of events. But the process of secularization is far less advanced in Iran than it is, for example, in Egypt, Syria or Iraq, and it is not impossible that religious fanaticism will again have a part to play in any future political or social effervescence.

A once-powerful, but now probably negligible political influence is represented by the great nomad tribes in the mountains of south-western Iran—the most important of which are the Bakhtiari and the Qashqai. Up to the time of Reza Shah, before there was a strong central government and when physical communications between south and north were rudimentary, the great tribal chiefs were virtually sovereign in their tribal areas, setting the authority of the central government at defiance and maintaining independent connections with foreign Powers. The Bakhtiari were an important influence during the constitutional troubles of 1907 when they backed the Constitutionalists. With the strengthening of the central government and the improvement of communications which took place under Reza Shah, the tribes were successfully brought to heel. They regained some of their influence during the

second world war and, in their last major exercise of political power, a coalition of Bakhtiari and Qashqai tribesmen, in 1945, rebelled against the government of Qavam Sultaneh and demanded, and obtained, the dismissal of several Tudeh Party members from Sultaneh's Government. (This was at a time of severe Russian pressure on Iran). The southern tribal leaders were popularly believed to be under British influence, and it is a fact that, in recent times, the rise and fall of tribal leaders has coincided with the rise and fall of British influence in Iran.

Most of Iran's 20 million population are engaged in agriculture. The periphery of the central plateau and the lower valleys of the mountain ranges abutting on the central plateau are fairly well watered and support a variety of crops—including cereals, beet sugar, fruits, lucerne, vegetables, tobacco and cotton. In these regions irrigation is still carried out to a great extent by means of underground water channels, called 'qanats', dug from springs in the foothills of the mountains to the village lands which they serve. These 'qanats', which are sometimes of very ancient construction, and which may run for several miles, are to prevent evaporation, and also theft of the water—always a precious commodity when it is comparatively scarce—and require a great deal of maintenance. Rice and tea are grown in the Caspian coastal plain and cane sugar cultivation has recently been revived in the southern coastal region.

The southern slopes of the Zagros mountains are mainly inhabited by nomads, including the large tribal agglomerations like the Bakhtiari and the Qashqai, who inhabit the south-eastern slopes of the range. These nomads live principally on the produce—wool, meat and milk—of their herds of sheep and goats, which comprise some 85 per cent of Iran's population of domestic animals. There is also some cattle breeding in the north-west, in the Caspian coastal plain and in the irrigated region of Seistan in the south-east, watered by the Hirmand River on the Iran-Afghanistan border. There are also fisheries in the Caspian and (to a smaller extent) in the Persian Gulf. The most lucrative aspect of the Caspian fisheries, the exploitation of which is governed by an agreement with the U.S.S.R. under which, as might be expected, the U.S.S.R. gets the lion's share, is the production of caviar, obtained from the roe of the sturgeon.

Apart from carpet-weaving, pottery and other 'domestic' industries, there was little or no industry in Persia until the discovery of oil in

south-west Persia in 1908. Oil has now become easily Iran's largest export, easily its largest source of foreign exchange, and, by the revenues obtained from oil by the government, easily the largest financial contributor to Iran's social and economic development.

Until comparatively recently, communications within Iran were primitive. This was due partly to difficulties imposed by the terrain, and partly to lack of money, international rivalries (which hindered railway construction) and to a prudent desire on the part of Iran's rulers to do nothing which might facilitate a possible invasion. Communications round the periphery of the central plateau, along the foothills, have always been comparatively easy; communications with Russia and with Europe were normally maintained via the Caspian; an old caravan route from Turkestan running north-south along Iran's present eastern frontier to the Straits of Hormuz, between the Persian Gulf and the Gulf of Oman, provided fairly easy north-south communication in eastern Persia. But communication between western and central Persia and the Persian Gulf was extremely difficult and laborious until the completion of the Trans-Iranian Railway in 1937. An important effect of this difficulty was that north and central Persia inevitably became orientated towards Russia via the Caspian and southern Persia towards India via the Persian Gulf. Thus did nature set the pattern for the rivalry over Persia between Russia and the West which developed during the nineteenth century and which has continued ever since.

Politically, Iran today is a constitutional monarchy deriving from the Constitution of 1906 and the supplement to the Constitution of 1907. The present monarch, known as the Shahinshah, is Mohamed Reza Shah Pahlevi, who succeeded his father, Reza Shah Pahlevi, the founder of the Pahlevi dynasty, on the latter's abdication in 1941. The Constitution provides for an elected Majlis (Lower House) and a later amendment to the Constitution provides for a partly nominated and partly elected Senate (Upper House). Parliament is, under the Constitution, theoretically sovereign, but, in practice, both the present Shah and his father, while keeping more or less strictly within the limits of the Constitution, have always exercised a decisive measure of personal authority, ranging from the personal dictatorship of Reza Shah to the varying, but always considerable, influence on the government of the day exercised by his son. The fact that command of the army (which in practice includes the security police) is, under the Constitution, vested in the Shah as commander-in-chief, is one of the principal reasons

for this powerful influence; another reason is the traditional Persian reverence for the monarchy which would make it difficult for the Shah merely to reign instead of ruling, even if he wanted to; yet another reason is the lack of any coherent party system in the Majlis which almost invariably becomes, not a legislative machine for, but an opposition bloc to, the government of the day. (This process is facilitated by the provision under the Constitution, that a Majlis deputy cannot be a member of the government, a genuflection to the spirit of Montesquieu, characteristic of many modern written constitutions, which has been responsible for a great deal of political havoc in Iran and elsewhere.) This makes it necessary for almost any government which is not a creature of the Majlis to enlist the support of the Shah, who can dissolve or threaten to dissolve the Majlis and enable the government to promulgate legislation by decree, in order to enable it to govern at all. Thus, the Shah's ability to control the Majlis in the interests of the government also enables him to control the government in the interests of the Crown, which interests are within his discretion and not within the discretion of either government or Majlis.

Rural life in Iran is dominated by the influence of big, and mainly absentee, landlords. Many of these landlords own as many as 50 villages and their wealth and local influence are usually decisive during elections.* In most rural districts landlords' nominees are generally returned to the Majlis irrespective of the wishes either of the government or of the electorate. In the towns, the wishes of the electorate or, more probably, the wishes of the security police, are more likely to be effective. Under the Constitution there is adult male suffrage, but, in practice, very few electors bother to exercise their vote except under the pressure of coercion or bribery.

As in most Middle Eastern countries, living standards in Iran, and particularly in the rural areas of Iran, are low, the illiteracy rate (particularly among females) high, social services rudimentary, methods of government administration inefficient, oppression of the poor by the rich widespread, the machinery of justice derisory, and corruption rife. But, lest any reader be disposed to attribute this to the existence of some deficiency or depravity characteristic of the inhabitants of the Middle East, let it be said that these conditions approximate fairly closely to conditions in Western Europe during the second half of the eighteenth century, and to conditions in Spain, Portugal, Southern Italy and most

*This position is now being modified as a result of the movement of land reform.

South and Central American Republics today. It may be added that they are probably better than conditions in India, South East Asia and in most of Africa, and in China and Japan. It seems possible that the progressive accretions of national wealth derived from increasing oil exports may succeed in raising the national level of productivity (which depends principally on the average amount of capital investment per head), in the same way as happened in Western Europe after the increase in productivity brought about by the Industrial Revolution, and may generate the will and provide the resources for improved social services which, in their turn, may call into being an increasingly informed and increasingly effective popular demand for more social justice, more administrative efficiency and, in general, for the better equipment of the masses in the perpetual struggle with the classes for the limitation of privilege and for the recognition of basic human decencies. Whether or not this happens will be one of the great question marks posed towards the end of this book.

Administratively, Iran is divided into the Central Ostan (province) of Tehran and into fourteen provincial Ostans. (Effectively, there are only thirteen; the fourteenth Ostan is Bahrain which is claimed by Iran). The Ostans are divided into a number of districts (Shahrestan), which are sub-divided into sub-districts (Bakhsh). Each provincial Ostan is governed by a governor-general and each Shahrestan by a governor. Since the days of Reza Shah the central government in Tehran has, generally, exercised effective control over the provincial governors-general and governors, as it has over the once-powerful tribal chiefs of Persia. Generally, whatever the administrative deficiencies of the central government, its writ now runs effectively throughout the country, and internal security is fairly good. For this, improved communications, reasonably efficient security forces, and a wholesome respect for the authority of the central government, inculcated by Reza Shah and not yet entirely evaporated, are responsible.

Of the principal cities of Iran, Tehran, the capital, is the largest with an estimated population of about one-and-a-half million. It is situated on the northern periphery of the Central Plateau at the foot of the Elburz Mountains and about half-way between the north-east and north-western frontiers of Iran. The second city, Tabriz, with a population of about 300,000, is situated in the north-western corner of Iran and is the capital of the Ostan of east Azerbaijan. Isfahan, capital of the Ostan of that name, has a population of about 250,000. It is the principal

centre of the textile industry in Iran, was the capital of the Safavi dynasty in the seventeenth century and, with its wonderful architectural monuments of the Safavi period, is one of the most beautiful cities in the world. It is situated on the southern periphery of the central plateau, about 260 miles south of Tehran. Shiraz, some 250 miles south-east of Isfahan, and capital of the Ostan of Fars (from which the name Persia is derived) has a population of some 170,000 and is renowned for the beauty of its gardens, the purity of its water and as the birthplace of Hafiz and Sa'adi. Meshed, in the north-eastern corner of Iran, has a population of some 240,000 and is chiefly famous as containing the shrine of the Imam Reza, one of the holiest characters in the Shia hagiology. Kermanshah and Hamadan are sizeable towns on the main road between Tehran and Baghdad. Abadan on the Shatt-al-Arab at the head of the Persian Gulf has grown up round the great oil refinery. Khorramshahr, adjacent to and just upstream of Abadan, is Iran's principal non-oil port and one of the two southern termini of the Trans-Iranian Railway (the other being Bandar Shahpur on the Khor Musa, an inlet near the head of the Persian Gulf). Along the shores of the Persian Gulf there are several small ports of which the two most important are Bushire, the port for Shiraz and Fars Province generally, and Bandar Abbas, the port for eastern Persia. In the Caspian coastal plain there is the town of Resht, capital of the Ostan of Gilan, the port of Pahlevi, previously Enzeli, which before the advent of air travel and the construction of the Trans-Iranian Railway, was the principal port of entry into Persia from Europe, and the port of Bandar Shah, which is the northern terminus of the Trans-Iranian Railway.

Iran has three physical climates. The central plateau has what is known as a continental climate; hot, dry summers with a mean temperature of about 29° C., and cold winters, with a mean rain/snowfall of about 250 mm. and a mean temperature of about 5° C. The Caspian coastal plain has a humid, rainy climate with a mean annual rainfall of about 1,500 mm. and mean summer and winter temperatures of about 25° C. and 8° C. respectively. The southern coastal region is warm in winter and very hot in summer, with mean temperatures of about 20° C. and 33° C. respectively and a mean annual rainfall varying from about 100 mm. to 300 mm. according to locality.

The Iranian mental climate is characterized by an intense national pride—the result of a fairly homogeneous national stock, of an almost unbroken history of national existence extending over some 2,500 years,

of a tradition of splendid achievement deriving from the Achaemenian, Sassanid and Safavi dynasties, and of memories of usually successful, if sometimes belated, resistance to a variety of invaders—Romans, Arabs, Turks, Mongols, Afghans, Russians and British. Among that small minority which has the means to develop its potentialities, the average level of intelligence is very high indeed. Given this intense national feeling and high level of intelligence, it is perhaps surprising that the national movement in Iran has not so far achieved more solid results in an age of resurgent nationalism. Among the reasons for this may be that the national feeling and intelligence are often accompanied, to a quite unusual degree, by an individualism which inhibits co-operation, by a cynicism which despises enthusiasm, by an impatience which discounts experience, by an optimism which derides calculation, and by a volubility which abhors discretion. As a result, Iranian nationalism appears to have little of that social content, of that air of common purpose, of that willingness for individual sacrifice, of that sense of dedication, which have given such an irresistible impetus to the national movements of other and less well-endowed peoples.

II

HISTORICAL BACKGROUND

In a book of this kind, which is necessarily devoted mainly to an assessment of present events, it is above all necessary to preserve a sense of perspective and proportion and before, as it were, applying the magnifying glass to these events, to step back and view them as part of the swing and sweep of history of which they are but an insignificant and as yet uncomprehended part. This perspective is particularly necessary in the case of Persia which has been in the mainstream of world history for some 2,500 years.

Persia first comes into world history in about 550 B.C., when Cyrus II, known as Cyrus the Great, King of Persia, revolted against Astyages, his Median overlord, captured the Median capital of Ecbatana (the modern Hamadan), united the two kingdoms of Persia and Media, and so laid the foundations of an Empire which, at its height, comprised almost all of that area now known as the Middle East. Within 30 years Cyrus and his successors, Cambyses and Darius, had conquered the Babylonian and Egyptian Empires and occupied the whole of the Fertile Crescent, the Nile Valley down to the cataracts and nearly all of Asia Minor. The story of the Persian capture of Babylon, with the terrible warning to decadent Empires—MENE MENE TEKEL UP-HARSIN—written by an unseen hand on the walls of Belshazzar's palace on the eve of the Persian victory, is as familiar to Western readers as is the history of the checks imposed by the Greeks on Persian efforts to extend their domination into Europe. The Achaemenian Empire, as it is known, lasted for about 200 years until it was destroyed by Alexander the Great of Macedon. These 200 years are the high point of Persian history.

There was still some glory to come. After the Parthian, which succeeded the Macedonian, occupation, Persia, restored to national greatness under the Sassanid dynasty, and inheriting the Parthian

hostility to Rome, succeeded, first in containing and finally in defeating the attempted eastward expansion of the Roman Empire into Armenia and the Euphrates Valley—incidentally capturing a Roman Emperor (Valerian) in the process. For the most part, this long-drawn out struggle, like the later, somewhat similar struggle with the Ottomans, was a defensive one on the part of Persia but, in its later stages, against Byzantium, Persian armies, for the first time since the Achaemenians, advanced as far as the Asiatic shore of the Bosphorus before being defeated by the Emperor Heraclius, on the very eve of the Arab invasion, which was to subject Persia temporarily to Arab rule and permanently to the profession of Islam.

The Arab invasions had the effect of drawing an iron curtain between Europe and the Levant analogous to that which communism erected between Eastern and Western Europe thirteen centuries later. Because of that iron curtain, the Moslem world, into which Persia had become incorporated, had no part in, knew practically nothing of, and was quite uninfluenced by, that quickening of the human spirit which occurred in Western Europe as it emerged from the long winter of the Dark Ages into the springtide of the Renaissance. This accession of spiritual and mental energy, and the material achievements and discoveries that flowed from it, meant that the centre of world power and culture began to move inexorably westwards through and away from the iron curtain and, eventually, away from the Mediterranean and towards the shores of the Atlantic. Meanwhile, there were tremendous upheavals in the Moslem world behind the iron curtain.

Up to the end of the eighth century A.D., that is to say during the 70 years of the rule of the Omayyad Caliphate in Damascus and during the first 50 years or so of the rule of the Abbasid Caliphate in Baghdad, the centre of world power, and the centre of world culture and learning, remained in the Moslem lands. But, as the Abbasid Caliphate began to crumble away as a result of secession in the west and of invasion in the east, this centre began to move westwards, away from Islam and towards Christianity. This westward movement coincided with a process by which Arab primacy in Islam was first eroded and finally destroyed in a series of invasions by warriors from central Asia who had been converted to Islam when their lands had been invaded by the Arabs during the second half of the seventh century. It was Persia that necessarily bore the first impacts of these successive invaders who, pressing westwards round the southern shores of the Caspian, used Persia as a corridor

on the way to the Fertile Crescent and Asia Minor. But the curious thing is that, whereas by the end of the sixteenth century nearly all the lands west of Persia formerly ruled over by the various Arab Caliphates (as well as the remnants of the Byzantine Empire) had passed out of the control of the Arabs and into that of the Ottoman Turks, Persia itself, having recovered its unity and independence and something of its former greatness, under the indigenous Safavi dynasty, was successfully defending itself against further Turcoman invasions from the north-east and was disputing the possession of Armenia and the Euphrates Valley with the victorious Ottomans.

We shall now briefly trace the course of events in Persia from the consummation of the Arab conquest of the Sassanids at the battle of Nihavand in 641 to the rise of the Safavi dynasty at the beginning of the sixteenth century. (In parenthesis, it may be noted that this period is about equal in time to the period between the capture of Ecbatana by Cyrus and the Arab invasion of Persia and more than twice the length of the period elapsing between the rise of the Safavi dynasty and the present day.)

Effective Arab rule, first by the Omayyad and then by the Abbasid Caliphate, was maintained over Persia until about the end of the eighth century—that is to say for a period of about 150 years. During that time the Moslem religion took root in Persia, Arabic became the official language of administration, and the Farsi language became heavily impregnated with Arabic (a process which was assisted by the Koran, the book of Moslem religious instruction and prayer). Early in the ninth century the Tahiri dynasty of Khorassan, with their capital at Nishapur, established a Persian kingdom, virtually independent of the Caliphate, in north-eastern Persia. The Tahiris were succeeded in about 870 by the Saffari dynasty from Seistan which extended its rule over Afghanistan and most of eastern Persia. The Saffaris in their turn were overthrown at the beginning of the tenth century by the Samani dynasty with its capital at Bokhara. Contemporaneously with the rise of the Samani dynasty in north-eastern Persia the Buwayhi dynasty from Mazanderan on the Caspian, who were adherents of the Shia variant of Islam (the Tahiris, the Saffaris and the Samanis were all Sunnis), extended their rule over western Persia and, towards the end of the tenth century, captured Baghdad from the Abbasid Caliphs who were, however, maintained as puppets by the Buwayhis. Thus, at the time of the first Seljuk invasion from central Asia at the beginning of the

eleventh century, effective Arab influence had ceased to exist east of the Euphrates, and Persia was ruled by two independent Moslem dynasties, one Sunni and one Shia, with their respective capitals at Bokhara and Baghdad.

The Seljuk Turks had, for many years before their main invasion, been infiltrating into Persia and the Fertile Crescent, and were largely employed as mercenaries in the armies of the Abbasid Caliphs and of those of the various dynasties which rose to independence under the nominal suzerainty of the Caliphate. When the mass Seljuk invasion came it met with little resistance and, before the end of the eleventh century, the Seljuks were masters of Persia, the whole of the Fertile Crescent and much of Asia Minor. In Persia and the Fertile Crescent the new Seljuk Empire rapidly broke up into a series of petty, local, indigenous, and mostly short-lived dynasties. But in Asia Minor, in the highlands of Anatolia, they succeeded in consolidating themselves on the ruins of Byzantine and Armenian power and in making of Anatolia, what it has since remained, the inmost citadel of Turkishness. It was in Anatolia that the Ottoman Turks arose as the rivals and eventual supplanters of the Seljuks and it was from Anatolia that the Ottomans, after the subjugation of the Seljuks in the middle of the fifteenth century, embarked on their career of conquest. But, before this had happened, Persia and the Fertile Crescent had been ravaged by the successive Mongol invasions which took place during the thirteenth and fourteenth centuries. The Mongols were the last and the most destructive of the succession of invaders from central Asia—Scythians, Huns and Turks—who had, over a period of about 1,000 years, been erupting out of the steppes into the fertile lands and the populous cities to the south and the west of their homelands. After a preliminary and most destructive raid into Persia by Genghis Khan, the first great Mongol destroyer, in 1221, Persia was conquered in 1258 by his grandson Hulagu Khan, who founded the il-Khan dynasty which ruled Persia for nearly 100 years until it was supplanted by a further wave of Mongol invaders under Timur, or Tamurlane, who, with his capital at Samarqand, established a new Mongol empire on the ruins of the old. When Timur's empire, in its turn, fell to pieces, it was succeeded by the Usbeq dynasty in Turkestan and by the Safavi dynasty in Persia.

The Safavi family had its origins in Azerbaijan where they were the leaders of a Shia dervish cult. In 1502 Ismail, the then head of the family, proclaimed himself Shah of Persia and succeeded in restoring Persia as

an independent Shia Moslem state in face of the Usbeqs to the north-east in Turkestan and of the Ottomans to the west in Anatolia. By this time the mysterious *élan* which had launched so many waves of invasion from central Asia appeared to have run its course, and the principal threat to the Safavis came from the Ottoman Turks who, having captured Constantinople and advanced almost to the gates of Vienna before their westward progress was checked by a resurgent Europe, were now advancing southward through Syria towards Egypt and North Africa and eastwards through Armenia and southwards down the Euphrates Valley towards Persia. There then ensued that long, indecisive struggle between the two great Moslem Powers—the Sunni Ottomans and the Shia Persians—which had emerged from the centuries of chaos and destruction following the great days of the Omayyad and Abbasid Caliphates. This struggle, which lasted for nearly 300 years, until the expanding menace of Russia diverted the attention of both protagonists northwards, was fought along a 1,500-mile front stretching from the Black Sea to the Persian Gulf, and consisted of an intermittent series of campaigns in which the objective of both sides was the establishment of control over the highlands of Armenia in the north and the Tigris and Euphrates valleys in the south. The territorial result of this struggle, which was in essence a religious war between Sunni and Shia for the control of the Moslem world, was to establish the boundary between Turkey and Persia approximately along the line of Persia's present western frontiers. The historical result was to drain the energies of both empires, to accentuate the ever-widening gap between the material progress of the Christian and the material stagnation of the Moslem world, and to prepare the way for the subordination of both empires to the West during the course of the nineteenth century.

The long process of decline was not without its moments of glory. The Safavi dynasty reached its apogee during the reign of Shah Abbas who ruled Persia from 1587 to 1629. During his reign the frontiers of Persia were secured against the Usbeqs to the north-east and against the Ottomans to the west. Trade was encouraged, internal security restored, and a strong central administration set up based on Isfahan, the Safavi capital. It was during the reign of Shah Abbas that the great architectural glories of Isfahan—the Meidan, the Ali Qapu, the Lotfallah Mosque, the wonderful bridges—came into being. It was also during the reign of Shah Abbas that the two English brothers Sherley came to the Court of Persia on a mission to solicit the Shah's assistance on behalf of

various European Powers in their common war against the Ottomans. And it was Shah Abbas who allied himself with the British East India Company to capture Hormuz from the Portuguese in 1621 and who granted to the East India Company their first trading stations in Persia, first at Jask and then, after the capture of Hormuz, at Bandar Abbas.

After the death of Shah Abbas in 1629 the Safavi dynasty fell into a slow decline. In 1722 Isfahan was captured by the Afghans. It was recaptured, and the Afghans driven from Persia, by an officer in the Safavi army who, setting the example followed 200 years later by Reza Shah, deposed the Safavi dynasty after having restored the authority of the central government and had himself crowned as Nadir Shah in 1736. Nadir Shah was a Turk by origin and a Sunni Moslem in religion, but he made no attempt to interfere with the Shia religious establishment which had been introduced by the Safavis and which had already sunk deep roots into Persian society. Nadir Shah, immediately after his accession, embarked on a lightning career of conquest; he re-annexed Afghanistan, invaded India, sacked the capital of the Great Mogul at Delhi and removed to Persia as booty the famous Peacock Throne on which the Shahs of Persia have ever since been crowned.* Then, successively, he turned north-east into Turkestan and captured Bokhara and Samargand, and north-east into the Caucasus where he drove back the already encroaching Russians. But the pace was too hot to last. In 1747 Nadir Shah, whom success had made into a greedy, cruel and suspicious tyrant, was murdered by a group of his own officers. He was succeeded by another army leader, Karim Khan Zand, who, from his capital at Shiraz, preserved some sort of central authority in Persia until his death in 1779. Persia then relapsed into chaos until another military leader, Agha Mohamed Qajar, succeeded in establishing his authority over the country and, in 1796, proclaimed himself Shah with his capital at Tehran. Agha Mohamed, a eunuch, was assassinated the following year and was succeeded on the throne by his nephew, Fath Ali Shah. By this time the French Revolution had broken out and Bonaparte was about to embark on his Egyptian campaign. In Eastern Europe Russia was on the march in the Caucasus and towards the Caspian on the outset of her colonizing mission into central Asia.

*There appears to be some doubt among experts as to whether the present Peacock Throne is in fact the same as that which was removed from Delhi by Nadir Shah; the best opinion appears to be that it is of later construction.

In Persia, the process of subordination to the West succeeded that period of isolation from the West which resulted from the interposition of the Ottoman dominions between Persia and Europe. It came about as a result of the outflanking of the Ottoman dominions by the Western nations. To the south this outflanking movement started as early as the beginning of the sixteenth century when the Portuguese navigators, rounding the Cape of Good Hope into the Indian Ocean, inaugurated the long process of European colonization in India and the Indies. (One of the reasons for these voyages of discovery to the Indies by the navigators of Western Europe was to open up a maritime trade route to the east and so to by-pass the monopoly which the Ottoman Empire and their Venetian allies had imposed on the eastern trade.) In 1506 the Portuguese occupied Hormuz which served them both as an *entrepôt* for trade (the original importance of Hormuz derived from the fact that it was at the terminus of one of the great caravan routes from China carrying silks to the West) and as a means of preventing possible interference to their shipping in the Indian Ocean from Ottoman fleets based on the port of Basra. The Portuguese were followed by the English and Dutch and, later, by the French. The British and Dutch ousted the Portuguese and, later, the British ousted the Dutch and the French. By the end of the eighteenth century the British were masters of India and their navy controlled the waters of the Indian Ocean, including the Persian Gulf. During the seventeenth and eighteenth centuries British connections with Persia had mainly taken the form of trading negotiations, carried on by the British East India Company, as a result of which the Company had established trading stations at various places on the coast of the Persian Gulf. The capture of Hormuz from the Portuguese in 1621 was accomplished by the Persian army in alliance with the ships of the East India Company. It is probable that Shah Abbas and his successors welcomed the advent of the British and Dutch in the Persian Gulf as a means both of helping him to get rid of the Portuguese and as a means of diverting some of the eastern trade to Europe from the Ottoman-controlled land route to the sea route which had been opened up by the European navigators. But, by the end of the eighteenth century, the British, in view of their recently acquired possession of India, had something more than a mere trading interest in the western approaches to India. They were already thinking in terms of an overland route to India through the Euphrates Valley and, later, with the advent of steam navigation and the electric telegraph, were to be thinking in terms of

coaling stations and overland telegraph routes. At the same time the French, resurgent under Bonaparte, were anxious to strike what blows they could against the British in the East, and the Dutch, who still retained their rich empire in the East Indies, had a lively interest in what happened on the Indian Ocean and in adjacent lands.

The outflanking movement to the north of Persia derived from Russia's rise to power under Peter the Great which resulted in her great movement of landward expansion and colonization bringing the Russians across the Caucasus Mountains, across the Caspian Sea and deep into the Turcoman lands. This forward movement did not start to develop until the second half of the eighteenth century and, unlike the maritime outflanking movement in the south, led to almost immediate armed conflict between Russia and Persia.

And so, by means of these two outflanking movements, Persia was brought slowly but surely out of her long isolation and back into the mainstream of history. But such was the extent of the backwardness and debility imposed both by that long isolation and by continual wars, that Persia, in open commerce and competition with the resurgent West, was unable to play other than a passive and inglorious part amid the clash of international rivalries and the drive of national ambitions which developed around her sea coasts and upon her land frontiers during the course of the nineteenth century.

At the beginning of the nineteenth century Franco-Russian rivalries in Europe and Anglo-French rivalries in the Indian Ocean caused both Britain and France to take an interest in the affairs of Persia, while Russia's preoccupations in central Europe prevented her, for the time being, from pursuing her colonizing drive in the Caucasus. In 1799, Sir John Malcolm, an Anglo-Indian soldier, administrator and diplomat, was sent to the Court of Fath Ali Shah by the government of India with instructions to conclude a treaty which would, in Malcolm's words, 'counteract the possible attempts of those villainous but active democrats, the French, from themselves concluding a treaty of alliance with Persia'. Malcolm managed to secure a treaty, but the Shah was naturally more interested in checking Russian designs in the Caucasus than in checking French ambitions in India. Failing to get any British assistance against Russia, the Shah denounced the Malcolm treaty and, in 1807, concluded the treaty of Finkenstein with France, in which Russia was stated to be 'equally an enemy of the kings of Persia and of France' and under the terms of which a French military mission was to be sent to

Persia to assist in the training of the Persian army. But soon after the signature of the treaty of Finkenstein, the treaty of Tilsit was concluded between Napoleon and the Tsar, making the former treaty abortive and leaving the road clear for Russia to pursue her advance against Persia's north-western frontier. In a series of minor campaigns the Russians defeated the Persians and, in 1813, the treaty of Gulistan was signed, giving Russia most of Transcaucasia and the exclusive right to maintain a navy on the Caspian. In 1825 war broke out again and in 1827 the Russians captured Tabriz. The treaty of Turcomanchi in 1828 and the treaty of Unkiar Skelessi in 1833 fixed the Russian-Persian frontier west of the Caspian along the line of the river Aras, where it remains to this day, and gave Russian subjects resident in Persia capitulatory privileges. These privileges, which placed Russians living in Persia under the jurisdiction of their own Consuls instead of that of the Persian Courts, was subsequently claimed by and granted to most of the other great European Powers, whose resident subjects enjoyed a similar privilege throughout the Ottoman Empire. 'Capitulations', although originally granted freely, in the plenitude of Ottoman power, to the French government in 1535 by Suleiman the Magnificent in order to facilitate trade between France and the Ottoman Empire had, by the nineteenth century, partly because of their abuse by European governments and their nationals, come to be regarded as a serious derogation from the sovereignty and prestige of the countries by whom they had been granted and on whom they had been imposed, and were unmistakable badges of the subordinate status to which both Persia and the Ottoman Empire had been relegated by the European Powers.

In 1834 Fath Ali Shah died and was succeeded by Mohamed Shah. By this time Napoleon had long been dead, French influence in the Indian Ocean had virtually been eliminated, the Ottoman Empire had fallen into as deep a decline as the Persian kingdom, and British influence was supreme in India and the Indian Ocean. In 1838 Mohamed Shah proceeded to try and restore Persian sovereignty over the province and city of Herat in Afghanistan. The British in India, who attached importance to the territorial integrity of Afghanistan as a bulwark against a possible Russian colonizing drive towards India, reacted strongly and there was war between Britain and Persia in 1838 and again, for the same reason, in 1856. In 1857, Nasr-ed-Din Shah, who had succeeded Mohamed Shah in 1846, signed a treaty with Britain under the terms of which Persia undertook to refrain from any further interference with

Afghanistan. After this treaty Persian policy towards Britain, *faute de mieux*, seems to have changed in the direction of trying to balance the Russian menace from the north by conniving at British penetration from the south. During the 25 years since the treaty of Unkiar Skelessi the Russian menace had gradually been increasing in intensity as a result of the Russian colonizing drive in Turkestan. The Russians crossed the Caspian in the 1830s, reached the Aral Sea in 1844 and, after a temporary check imposed by the Crimean War, occupied Samarkand in 1868, Khiva in 1873, and Merv in 1884. By 1890 Russia had a common frontier with Persia extending from Mount Ararat to the borders of Afghanistan and, moreover, held undisputed naval supremacy in the Caspian. This massive pressure along the 2,000 kms. of Persia's northern frontier, undefended either by adequate fortifications, or by any very formidable natural features, has been the dominating factor in Persia's national existence for the last three-quarters of a century.

The policy—if pursuing the line of least resistance can be accounted a policy—of offsetting Russian pressure from the north by conniving at British penetration from the south resulted in a series of important concessions awarded to British interests during the second half of the nineteenth century. During the 1860s concessions were given to the Indo-European Telegraph Company, acting on behalf of the government of India, for the construction and operation of a land telegraph line running from Baghdad across Persia via Kermanshah, Hamadan, Tehran, Isfahan, Shiraz and Bushire, where it connected with a submarine cable to India, forming part of a system of telegraph communication between Britain and India. In 1872 Baron Julius de Reuter, a naturalized British subject, obtained a remarkably comprehensive concession covering the exploitation of all minerals throughout Persia, the establishment of a bank, and the construction of a railway. The Russians soon secured the cancellation of this concession but, by way of compensation, de Reuter was given a new concession for the establishment of a bank, to be called the Imperial Bank of Persia. In 1887, as the result of a rumour that a British firm was about to be given a concession for the construction of a railway from the Persian Gulf to Tehran, the Russians compelled the Persian government to agree not to give any concessions for railway construction in Persia without Russian consent. (This agreement prevented any railway construction in Persia until after the first world war). In 1888 the British firm of Lynch Brothers (which was already running a line of steamers on the Tigris)

was given a concession for running a line of steamers on the River Karun up to Ahwaz.

In 1896 Nasr-ed-Din Shah was murdered. His successor, Muzaffar-ed-Din Shah, soon made the discovery that the state was on the verge of bankruptcy owing mainly to his predecessor's extravagance and improvidence. The Russians were quicker than the British to take advantage of Persia's predicament and negotiated two loans for a total of 42½ million roubles in exchange for obtaining almost entire control over the Persian Customs, which control was naturally used to give the maximum of advantage to Russian imports. In 1901 a concession was given to a British syndicate headed by a certain William Knox d'Arcy to explore for and to produce petroleum anywhere in Persia except in the five northern Provinces (which were presumably excluded on Russian insistence), to convey any petroleum found to the Persian Gulf by pipeline and to refine and export such petroleum. The granting of this concession proved to be one of the most important events in the long history of Persia but very little notice of it was taken at the time, either in Persia or abroad, perhaps because several other attempts which had been made by various foreign interests over the previous 30 years to look for oil in Persia had failed.

By this time an important shift was taking place in the relationships between the great European Powers. The rise of Prussia, leading to the unification of Germany under Prussian leadership, and the defeat of France in the Franco-Prussian war of 1870, had broken up the concert of Europe and had led to the division of Europe into two great armed camps, with the dual alliance of France and Russia lined up against the triple alliance of the three Central Powers of Germany, Austria-Hungary and Italy. Britain, true to her balance of power policy, at first leaned towards the triple alliance, which she regarded as being the weaker of the two camps. But, during the nineties, Germany's aggressive naval building policy, combined with her cultivation of Ottoman friendship and her *Drang Nach Osten* policy symbolized by the grant of a concession for the construction of a German-owned railway down the Tigris and Euphrates valleys to Baghdad and onwards to the head of the Persian Gulf, was regarded by Britain as a direct challenge to Britain as a world Power. This challenge led to a rapprochement between Britain and the dual alliance which resulted, first in the Anglo-French Entente of 1904 and secondly, in 1907, in an Anglo-Russian Convention on Persia which, in effect, called a truce to Anglo-Russian rivalries

over Persia and divided that country into spheres of Russian and British influence.

The Anglo-Russian Convention was almost contemporaneous with two other decisive events in the history of modern Persia. One was the grant of a Constitution by Muzaffar-ed-Din Shah in December 1906. The other was the discovery of oil at Mesjid-es-Suleiman in south-western Persia in May 1908. These three events which, together, can be taken to mark the beginning of the modern age in Persia, will be described in detail in the next chapter, and their introduction marks a suitable point at which to end this one.

III

THE CONSTITUTION AND THE FIRST WORLD WAR

The great liberal movement which started with the French Revolution set in train a whole series of movements against despotic regimes in Europe. Throughout the nineteenth century liberal principles, expressed as the responsibility of rulers for ruling according to laws enacted by legislative assemblies elected by the sovereign people, were increasingly regarded as being synonymous with human progress, and a condition of increasing human happiness and increased material prosperity. The idea seemed to be that political reform would necessarily engender, and was a necessary prelude to, any improvements in social justice and social welfare. The finest flower of liberalism in nineteenth century Europe was the supersession in Italy of the Kingdom of the Two Sicilies, the Papal States and the Austrian provinces by a constitutional Italian monarchy. But even the antique despotisms of Bourbon in Spain, of Braganza in Portugal, of Hapsburg in Austria, were not entirely unaffected by the *Zeitgeist*. Constitutional movements, of varying degrees of violence and effectiveness, swept these countries and, long before the end of the century, absolute monarchy had disappeared in all of them. The newer despotism of Hohenzollern in Prussia and the ramshackle little tyrannies of innumerable German princelings were seriously modified in the German Empire which, rising like a vulture sated with carrion from the battlefield of Sedan, at least had most of the attributes of a constitutional monarchy and compelled successive German emperors to find compensation in public attitudinizing for the despotic powers which they were unable to wield.

As liberalism moved eastward across Europe it encountered greater resistance. But even in Holy Russia there was a great agitation against despotism and, in 1905, a Duma was actually brought into being. In Turkey a Constitution was granted as early as 1875; it was withdrawn later by Sultan Abdul Hamid, but that despot was overthrown in 1908

and the long tradition of the mute and the bowstring ended forever on the shores of the Bosphorus. In Moslem countries the principal vehicle for constitutional ideas was the Islamic Modernist movement, led by Jamal-ed-Din Afghani, whose teachings had particularly great influence in Persia.

In Persia, up to the end of the nineteenth century, the Shahinshah was an absolute despot. He appointed and dismissed ministers at will; people were put to death, imprisoned, reprieved, released, rewarded, tortured, dispossessed, exiled or enriched at his sole caprice; his word was the supreme law. The Arabic word Qanun, meaning a fixed code of laws, was regarded as subversive by Muzaffar-ed-Din Shah, the monarch who was eventually compelled, by popular agitation, to grant a Constitution.

During the long reign of Nasr-ed-Din Shah there was little or no overt constitutional agitation. But his successor Muzaffar-ed-Din lacked the prestige which Nasr-ed-Din's long reign had conferred on him. Moreover, the treasury was bankrupt, the concessions granted to and the loans obtained from foreign Powers were beginning to be resented, particularly as it did not appear that anyone outside Court circles derived any benefit from them, and there was an increasing number of educated Persians who had access to foreign ideas and who had travelled in foreign countries where different standards prevailed and where despotism had come to be regarded as synonymous with backwardness and ignorance.

During 1905 demonstrations led by a group of mullahs and merchants took place in Tehran, voicing demands for various reforms. These demonstrations were sufficiently serious to cause the Shah to treat with the demonstrators and to make various promises, none of which were subsequently kept, to dismiss the Prime Minister, Ayn-e-Dowla, to institute civil courts of justice, to promulgate a fixed code of laws, and to appoint a council to consider administrative reforms. In 1906, when nothing had been done to fulfill any of these promises, there were more serious demonstrations and less moderate demands. A number of demonstrators took sanctuary in the grounds of the British Legation. At that time the British government, on the analogy of the liberality of British political institutions, was regarded as being sympathetic to liberal aspirations elsewhere and as supporting the demands of the constitutional demonstrators in Tehran. This view was soon to receive a rude shock. Meanwhile the Shah surrendered to the agitation, issued a decree

convening an elected National Assembly and declared an amnesty for all those who had taken part in the demonstrations.

A National Assembly (Majlis) was duly elected and met for the first time in October 1906. This Majlis drew up a Constitution which was ratified by the Shah in December 1906. It was the last official act of his life, for he died immediately afterwards and was succeeded by his son, Mohamed Ali Shah.

The 1906 Constitution, which was added to by a supplement to the Constitution ratified in October 1907, and which has been amended three times since, is based on various European models. Article 26 of the supplement to the Constitution lays down that the entire powers of the government emanate from the people, and Articles 35 and 36 of the supplement to the Constitution lay down that parliament is representative of the people. Parliament originally consisted of the Legislative Assembly, or Majlis, elected by universal male suffrage. (The second amendment to the Constitution, in 1949, provided for the addition of a Senate, or Upper House, of which half was to be nominated by the Shah and half chosen by indirect election. The first amendment, in 1925, provided for the deposition of the Qajar, and its replacement by the Pahlevi, dynasty). Approval of the state budget is the exclusive right of the Majlis (and remained so after the addition of the Senate). No treaty, agreement or contract entered into by the government is constitutionally valid until it has been approved by the Majlis (later, by both Majlis and Senate). The life term of a Majlis was originally limited to two years but, in 1957, by a third amendment to the Constitution, this was increased to four years; under the same amendment the number of Majlis deputies was fixed at 200, subject to a provision for further increases *pari passu* with the population. The Senate, under the second amendment, was to have 60 members, 30 nominated and 30 elected. No minister in the government and no government official can be a member either of the Majlis or Senate. The Shah can dissolve the parliament at any time, but writs for a new election must, under the Constitution, be issued within a month of the dissolution of the old parliament. The Shah is commander-in-chief of the armed forces. Other and more general matters covered by the Constitution were: (a) Shiism to be the official religion of Persia; (b) provision for the establishment of city and provincial councils throughout Persia (this remained a dead letter until it was revived, in the absence of a Majlis, by a Firman (decree) issued by the Shah in November 1961); (c) a declaration that

all the people of Persia are equal before the law and that nobody may be arrested or his property sequestrated except in accordance with the law. (This declaration has remained a pious declaration rather than a statement of fact.)

It was one thing to get the Constitution ratified. It was to require a civil war to get it implemented. The new ruler, Mohamed Ali Shah, immediately set to work to undermine the new Constitution. In December 1907 he attempted a *coup d'état*, provoked a serious reaction, and only retained his throne as a result of joint diplomatic action by the British and Russians who had signed the Anglo-Russian Convention over Persia in August 1907. The English text of the Note to Persia outlining the terms of the Convention is as follows:

‘Desiring to avoid any cause of conflict between their respective interests in certain regions of Persia, on the one hand, contiguous with or in the neighbourhood of the Russian frontier, and on the other, of the frontier of Baluchistan and Afghanistan, the Governments of Great Britain and of Russia have signed a friendly Arrangement on the subject.

‘The two Governments mutually agree to the strict independence and integrity of Persia by that Agreement, and testify that they sincerely desire not only the permanent establishment and equal advantages for the industry and commerce of all other nations, but also the pacific development of that country. Further, each of the two States binds itself to seek no Concession of any kind whatsoever in these regions which are conterminous with or in the neighbourhood of the frontier of the other.

‘In the Arrangement the above-mentioned regions are clearly defined in order that, in the future, misunderstandings may be avoided, and in order to avoid creating a state of things which might, in any respect whatever, place the Persian Government in an embarrassing situation. The Russian and British Governments recognize, in mentioning the revenues affected to the loans concluded with the Discount & Loan Bank, and with the Imperial Bank, by the Persian Government, that, in the future, these loans will be affected to the same purpose as in the past; and in the case of irregularities in the amortization or in the payment of interest on the loan

above-mentioned, the two Governments engage equally, in order by common agreement to determine the measures of control which it would be necessary to take, to enter on a friendly exchange of views, and to avoid all interference which would not be in accordance with the principles laid down in that Arrangement.

'The two States have, in signing the Arrangement, steadfastly kept the fundamental principle in view that the independence and integrity of Persia should be respected absolutely. The sole object of the Arrangement is the avoidance of any cause of misunderstanding on the ground of Persian affairs between the Contracting Parties. The Shah's Government will be convinced that the Agreement concluded between Russia and Great Britain cannot fail to promote the prosperity, security and ulterior development of Persia in the most efficacious manner.'

The 'respective interests in certain regions of Persia' were defined as follows:

'Starting from Kasr-i-Shirin, the Russian line crosses and includes Isfahan, Yezd and Kakh, ending at that point on the Persian frontier where the Russian and Afghan frontiers intersect. Going from the Afghan frontier via Gazik, Birjand, Kerman, the British line ends at Bandar Abbas.'

As was explained at the end of the last chapter, this Convention was one of the results of Britain's rapprochement with France and Russia in reaction from Germany's naval building programme and *Drang Nach Osten* policy. The agreement was resented in Persia, not so much on the general ground of foreign interference in Persia's internal affairs, as on the specific ground that, by removing from this interference the element of Anglo-Russian rivalry, it removed the possibility both of deriving advantages from and of setting a limit to that interference in that it removed the possibility of calling on one of the two protagonists either to offset or to prevent the encroachments of the other. The Constitutionalists were particularly incensed at Britain's part in the Convention. Just as Russia, by analogy with her political system, was assumed to favour autocracy, so Britain, by analogy with her political system, was assumed to favour democracy. The Constitutionalists,

accepting the fact of foreign interference, had assumed, not without reason, remembering the sanctuary afforded in the British Legation in 1906, that, in the struggle with the Shah for acceptance and implementation of the new Constitution, British influence would be exerted on the side of the Constitutionalists. When, in December 1907, the British joined with the Russians to protect the Shah, the Constitutionalists' worst fears about the implications of the Anglo-Russian Convention were seen to be realized. At best they could expect nothing better than British neutrality between themselves and the Shah; at worst, hostility. From this point of view the Anglo-Russian agreement is important in that, in the eyes of progressive people in Persia, Britain became firmly and, as it turned out, finally dissociated from the idea of liberty and identified with the idea of despotism. This was to have a profound effect on the future of Anglo-Persian relations. It is an anachronism to suppose that the idea of foreign interference in itself was objected to by the Constitutionalists. They were quite prepared to welcome foreign interference in support of their views, just as the Shah was prepared to welcome foreign interference in support of the prerogatives he was trying to defend. What the Constitutionalists resented was not interference, but what they regarded as betrayal by a nation which, naïve as it may now seem, and naïve as it must have seemed at the time to nationalists in India or in Egypt, they were beginning to regard as a standard-bearer of liberty for oppressed peoples.

In June 1908 the Shah made another attempt to overthrow the Constitution. This time the result was civil war, during the course of which, as is usual in civil wars, the original issues between the two sides tended to become blurred. For one thing, the powerful Bakhtiari tribe, whose leaders could not be suspected of any powerful inclinations towards democracy, but who could be credited with a desire to weaken the central government, sided with the Constitutionalists. After a year of fighting, and largely owing to the support of the Bakhtiari, the Constitutionalists were victorious, Mohamed Ali Shah was deposed, and was succeeded by his son, a boy of 12, with Azud-e-Mulk, an elderly and respected Qajar, as regent. Azud-e-Mulk soon died and was replaced as regent by Salah-e-Dowla. By that time, as a result of the civil war, the administrative and financial affairs of the central government had sunk into deep confusion. The treasury was bankrupt and the Bakhtiari were demanding a dominant share in the government as a reward for having supported the Constitutionalists. The regent dealt forcefully with the

Bakhtiari and an American financial expert, Morgan Shuster, who had been engaged by the Persian government, attempted to grapple with the finances. Shuster soon managed to embroil the government with the Russians, who sent troops into north-eastern Persia and bombarded Meshed, damaging the shrine of the Imam Reza. The Constitutionalists had won an empty victory, as a result of which the central government had become denuded of almost all effective authority.

In the midst of all this chaos the discovery of oil at Mesjid-e-Suleiman in May 1908 had passed almost unnoticed. But the work of exploitation went steadily on and, by 1912, a refinery had been constructed at Abadan, an island on the Shatt-al-Arab, and a pipeline had been laid connecting the oilfield with the refinery. By 1914 a total of 30 wells had been drilled in the Mesjid-e-Suleiman area and refined oil was being exported from Abadan at a rate of 250,000 tons per annum. Under the terms of the d'Arcy concession the Persian government received a 16 per cent share in the profits of the concessionary company. The financial element did not become important to Persia until after the stimulus given to oil exports by the demands of the first world war, but the strategic and political implications of the first major oil discovery by a British-controlled company were rapidly appreciated by the British government and constituted a major factor in their military dispositions after the outbreak of the first world war. (In parenthesis it is to be noted that the area in which oil was found, and in which it was being looked for before it was found, was not included in the British 'sphere of influence' demarcated in the Anglo-Russian Convention.) From the point of view of the British government the primary importance of a British-controlled source of oil supply lay in the fact that a decision had been taken by the British Admiralty, for technical reasons, to adopt oil instead of coal as the principal fuel for the Royal Navy. New ships were to be oil-fired, many old ships were to be converted to oil-firing. To implement this programme, at a time of threatened war, it was desirable to have a secure source of supply. From the outset the d'Arcy syndicate had been handicapped by lack of funds. The First Exploration Company which has been formed in 1903 under the terms of the concession, started with a capital of £400,000. By 1905 funds were running low and the Burmah Oil Company, at the instance of the British government, who were already interested in the possibility of oil as a fuel for the navy, came to the rescue with additional funds and the Concessions Syndicate Ltd., in which Burmah Oil had a controlling interest, was

formed to take over the assets of the First Exploration Company. The new funds supplied by Burmah Oil were beginning to run low when oil was struck in 1908. This solved the immediate financial problem and in 1909 the Anglo-Persian Oil Company was formed with a capital of £2 m. Then, in July 1914, six days before the outbreak of the first world war, an agreement was ratified by the British parliament by which the British government acquired a controlling interest in the company whose capital was increased to £4 m., of which the British government's share was £2½ m.

When it became apparent that Turkey was about to enter the war on the side of Germany, it was important for the British government that the physical security of these strategically important oil installations, consisting of the oil wells, the refinery at Abadan and the pipeline connecting them, all of which were close to the Turkish frontier in Mesopotamia, should be safeguarded against the possibility of occupation or destruction by the enemy. One of the principal reasons for the despatch of the Indian Expeditionary Force (afterwards the Mesopotamian Expeditionary Force) which embarked from India and landed at Fao, in Turkish territory at the head of the Persian Gulf, at the beginning of November 1914, was to protect the Persian oil installations.

When the first world war broke out, the Persian government immediately declared Persia to be neutral. There is no doubt that popular sentiment, owing to the unpopularity of the Russians and the British, was strongly pro-German, although this enthusiasm was weakened when Persia's hereditary enemies, the Turks, entered the war on the side of Germany in October 1914, thus bringing the war to the very threshold of Persia. The Persian army was in no position to defend the country's neutrality which was violated, first by the Russians and Turks in north-western Persia, where each army tried to outflank the other, and then by the Turks and British in south-western Persia where one side moved troops to attack and the other moved troops to defend the oil installations. South-east of the oilfields, in the mountains and along the coastal plain, a state of guerrilla warfare developed as a result of the activities of Wassmuss, a German national who had been a consul in Persia, who recruited some of the nomad tribes into armed bands in an attempt to threaten both the oil installations and the British enclave at Bushire, the headquarters of the British chief political agent in the Persian Gulf who was also consul general in the province of Fars. This province, which was in the British 'sphere of influence' demarcated in the 1907

Convention, was almost a British protectorate at this time and British Indian troops were permanently stationed at Bushire. The attempt by Wassmuss was contained by the formation of a British-raised and British-officered force known as the South Persia Rifles which, acting quite independently of the central government in Tehran, was the principal, and only regular, armed force in southern Persia during the war years.*

The British capture of Baghdad in March 1917 removed any remaining danger to the oil installations. By this time the Russians had occupied most of north-western Persia and were within measurable distance of joining forces with the British, advancing up the Tigris Valley from the south. But the March revolution in Russia took place almost simultaneously with the British capture of Baghdad, and the Russian war effort was virtually at an end. Some semblance of fighting was maintained between March and October but, after the October (or Bolshevik) Revolution, the Russian front in north-western Persia rapidly disintegrated and, in December 1917, the Russians signed an armistice with the Turks and withdrew their troops behind the Russian frontier, whereupon the Turks promptly occupied most of north-western Persia.

By the beginning of 1918 the British government was already thinking in terms of the 'Red menace' developing from Bolshevik Russia which, in March 1918, signed the armistice of Brest-Litovsk with Germany. Immediately after the October Revolution three independent anti-Bolshevist republics—Armenia, Georgia and Azerbaijan—had been set up on Russian soil in Transcaucasia. The British government determined to try and assist these republics to maintain their independence against the triple menace of the Bolshevik, German and Turkish armies which were advancing on them, and, in January 1918, troops were detached from the Mesopotamian campaign to form a line of communications from Kermanshah to Enzeli (Pahlevi), with the object of establishing contact with them across the Caspian. This line of communication was established as a result of a mixture of fighting and negotiation with Kuchik Khan, who had rebelled against the Persian government in 1915 and who had made himself master of most of the territory between the Mesopotamian border and the Caspian. In August 1918 a British force embarked at Enzeli and landed at Baku. This force was evacuated within a few days and Baku occupied by the Turks advancing from the south. The Turkish occupation was short-lived. At

*There was also a Swedish-officered Gendarmerie.

the end of October 1918 the Turks signed the armistice of Madros with the allies and withdrew their forces from Transcaucasia and north-western Persia. After the German armistice on November 11, the Germans withdrew from Transcaucasia as well. The British from Enzeli re-occupied Baku and were able to help maintain the precarious independence of the three republics until the beginning of 1920, when a British cabinet decision to cease active intervention against the Bolsheviks led to the gradual evacuation of British forces from Transcaucasia and the subsequent absorption of the three republics into the Soviet system.

Meanwhile Persia was in a parlous state. The authority of the central government had collapsed. The inhabitants of north-western Persia, after its evacuation by the Turks, and as a result of the ravages of four years of invasion and counter-invasion, were starving. A broad belt of territory between the Mesopotamian border and the Caspian was controlled by the rebel Kuchik Khan whose authority was only mitigated by the presence of a British line of communication across the territory controlled by him. In the rest of the country the only two effective military forces were the Cossack Brigade in the north and the South Persia Rifles in the south. Both were under the nominal authority of the Persian government but, in fact, the Cossack Brigade was officered by white Russians who were more interested in fighting the Bolsheviks than in defending Persia while the South Persia Rifles were effectively controlled by the British. East Persia was occupied by a British Indian force which, until the beginning of 1920, made some ineffectual attempts to assist the survival of anti-Bolshevik forces in Turkestan. The treasury, as usual, was empty. It was in these circumstances that the Russian and British governments renewed their diplomatic manoeuvrings with the Persian government.

In January 1918, three months after the October Revolution, the Bolshevik government addressed a note to the Persian government renouncing all privileges previously possessed by the Tsarist government in Persia and denouncing the Anglo-Russian Convention. In June 1919, when the Bolshevik government had an unofficial representative in Tehran, they delivered a more detailed note to the Persian government in which (a) all Persian debts to the Tsarist government were declared cancelled; (b) all privileges possessed by the Tsarist government in respect of the Persian customs, posts and telegraphs were declared ended; (c) all public and private concessions negotiated with

Russian interests under the Tsarist regime were renounced; (d) all property in Persia belonging to the Russian state was made over to the Persian government. This expressed willingness to abandon that which the Bolshevik government was at that time unable effectively to claim does not seem to have impressed the Persian government. The unofficial Persian delegation to the Peace Conference (the fact that Persia was denied an official seat at the Peace Conference was a considerable source of Persian grievance against Britain) made large demands on Russian territory in Transcaucasia (which had been taken from Persia by Russia about 100 years previously) and in Transcaspia. (At the time of the Peace Conference the territories claimed by Persia were being disputed between the Bolsheviks and various White Russian administrations.) No notice was taken of these claims, which do not appear to have been advanced very seriously, and friendly negotiations continued between the Russian and Persian governments. In November 1920 diplomatic relations were established and in February 1921 (by which time the Bolshevik government was well on the way to establishing its authority over all those areas in Transcaucasia and Transcaspia which had formerly been within the boundaries of the Russian Empire) a treaty was signed between Persia and what had come to be known as the Union of Soviet Socialist Republics (U.S.S.R.). This treaty confirmed all those renunciations made by the U.S.S.R. in their note of June 1919, and Persia agreed not to grant to any other foreign Power any of the privileges renounced by the U.S.S.R. The treaty also provided that neither party would permit the establishment on its territory of any organization hostile to the other, and regulated fishing and naval rights on the Caspian. What proved to be the most important clause in the treaty (which is still theoretically in operation) was a provision which permitted the U.S.S.R. to send their armed forces into Persia in the event of Persia's becoming a base for an attack by any third party against the U.S.S.R. It must be remembered that, while the treaty was being negotiated, the idea of armed intervention against the Bolsheviks had not entirely been abandoned by the Western Allies and one of the objects of the Russian negotiations with Persia—and the contemporaneous negotiations with Kemalist Turkey—was to guard against the possibility of such intervention from the south through Persia or Turkey.

The process of negotiating the treaty had encountered some difficulty. When British troops began to withdraw from Transcaucasia at the

beginning of 1920, it opened the way to Bolshevik penetration of the area. In mid-1920 a Bolshevik force pursued the remnants of a fleeing White Russian force across the Caspian from Baku, landed at Enzeli, brushed aside a small British force which was still there, dealt with the White Russians, and, with the co-operation of the rebel Kuchik Khan, set up a Soviet Socialist Republic in the Persian province of Gilan. There was a distinct danger lest the communist infection might spread from Gilan to the other northern provinces—there were already disturbances in Khorassan. If the Russians were anxious for a treaty which would prevent Persia from being used as a base for an attack on the U.S.S.R. by the Western Allies, the Persian government were anxious to secure guarantees against communist penetration into Persia, and against Russian assistance to Kuchik Khan's 'republic' in Gilan.

By the time the treaty was signed the danger of communist penetration into Persia was much greater than the danger of Allied intervention against Russia through Persia. For, by the end of 1920, the remnants of British forces in Persia had already completed their evacuation.

This British evacuation marked the end of a long process of Anglo-Persian negotiation by which it had at one time appeared that the British might establish something not far removed from a protectorate over Persia. In September 1918 Sir Percy Cox, at that time civil commissioner in Baghdad and chief political officer in the Persian Gulf, who was the most notable British pro-consul connected with the area, was seconded to Tehran as British Minister with the special mission of negotiating an Anglo-Persian treaty by which Britain, in return for financial and administrative assistance to the tottering Persian state, would receive a large measure of control over that state. A treaty was actually signed in August 1919 with a Persian government of which Vossuh-e-Dowla was Prime Minister. Under the terms of this treaty (a) the 1907 Convention was abrogated (as we have seen it had been abrogated by Russia some months before); (b) British advisers were to be appointed to reorganize the Persian army and Persian finances; (c) Persia was to be granted a British loan of £2 m. at 7 per cent; (d) Britain undertook to co-operate with Persia over road and railway construction in Persia; (e) the Customs tariff was to be revised in Britain's favour. The treaty met with considerable opposition in the country and, unlike the later Russian treaty, was never ratified. (The Anglo-Persian treaty was denounced and the Russo-Persian treaty ratified by the Majlis soon after the Reza Khan-Ziaeddin *coup* in March

1921). Any chance that there might have been of ratification was destroyed by the British government's decision, early in 1920, to discontinue armed assistance to White Russian forces against the Bolsheviks and to evacuate British troops from Transcaucasia and Persia.

This decision was a defeat for the 'imperialist' school of thought in the British cabinet, headed by Lord Curzon, which had originated the idea of the Anglo-Persian treaty, which saw in the British conquests in the Middle East the opportunity to establish a new British Empire, linking India with the Mediterranean and stretching from the Nile to the Indus, and which was in favour of vigorous intervention against Bolshevik advances towards the south-east (if not in the west) as representing a threat to the British possessions in India and to British interests in the Persian Gulf. This school of thought was opposed by a considerable body of opinion, both in the cabinet and among the general public, which advocated a policy of neutrality towards the U.S.S.R. and a withdrawal of British forces from Palestine, Iraq and elsewhere in the Middle East. The compromise which was reached, a compromise weighted heavily against the imperialist school, meant that armed intervention against the Bolsheviks was abandoned and that no serious attempt was made to salvage the Anglo-Persian treaty after it had got into difficulties.

The fate of the Anglo-Persian treaty may be taken to represent the beginning of that twilight of British imperial power which was soon to set in. At the very moment of victory in the first world war, at a time when, to all appearances, the British had secured new possessions, new influence and new prestige in the Middle East, and had become the undisputed paramount Power in that region, the symptoms of decline, deriving from a failure of popular will to bear the burdens of continued expansion, began to manifest themselves.

The Anglo-Persian treaty had one result which was to be of some importance later. In anticipation of the treaty's ratification, a number of British advisers had arrived in Persia and had settled in their posts. Among these was a Mr. Armitage-Smith, financial adviser. At the beginning of 1920 the Persian government, desperately in need of revenue, were presented by the Anglo-Persian Oil Company with a claim for £600,000 compensation for war damage to its installations for which, it was alleged, the Persian government was responsible. The Persian government put forward a counterclaim by which they maintained that the royalty payments due to them under the terms of the d'Arcy

concession, representing 16 per cent of the net profits derived from the operation of the concession, should be calculated on the total profits made by the Company at all stages of its operations and not simply on the profit derived from the sale of the refined oil, f.o.b. Abadan, to the British Tanker Company, which was a wholly owned Anglo-Persian Oil Company subsidiary. This claim and counterclaim, together with some other minor points in dispute, were, by agreement between the Persian government and the Company, submitted to Mr. Armitage-Smith's arbitration (which, it may be thought, put Mr. Armitage-Smith in a very invidious position as adviser to the Persian treasury). Mr. Armitage-Smith's award, which was accepted by both parties and incorporated into an agreement signed by the Persian government and the Company in December 1920, accepted the Persian claim as to the basis for the calculation of net profits for royalty purposes, ruling that future royalties should consist of 16 per cent of the total profits made out of Persian oil by the Company at all states of its operation, and awarded £1 m. to the Persian government in respect of past royalties recalculated on the new basis. This award, which represented an almost complete acceptance of the claims of the Persian government as presented at the time, was subsequently attacked as having been imposed on Persia by the British government.

In spite of having successfully resisted the diplomatic advances of the British government, and in spite of having arrived at a reasonably satisfactory *modus vivendi* with the Bolshevist government, Persia, by the beginning of 1921, was still in a deplorable state, financially and administratively. The treasury was in its usual condition. The rebel Kuchik Khan, with assistance from the Bolsheviks, had established an independent republic in Gilan. Khorassan and Persian Kurdistan were in a state of insurrection. The tribal leaders of the south were defying the central government. The British financial and administrative assistance offered under the Anglo-Persian treaty having been rejected, there seemed no means by which the central government could restore either its solvency or its authority.

One of the reforms which British military advisers, sent to Persia in anticipation of the ratification of the treaty, had been able to accomplish was the replacement of Russian by Persian officers in the Cossack Brigade which was, at the same time, raised to the strength of a division. The new commander of the Division was Reza Khan, an almost illiterate soldier who had risen from the ranks and who, in the tradition of earlier

warrior kings of Persia, was destined, in a time of disintegration and decay, to use the army to restore the authority of the central government, to take over the control of the central government, and, finally, to depose the existing dynasty and himself to become Shah of Persia and to found a new dynasty. The story of his rise to, his tenure of, and eventual fall from power will be described in the next chapter.

IV

REZA SHAH

The victory of the Constitutionalists in 1909 removed the Shah as the effective head of the executive but put nothing in his place. No coherent party system—like the Congress Party in India—emerged from the Constitutional movement to formulate a policy, to dominate the Majlis, to form a stable government. No dominating figure—no Oliver Cromwell—arose to bend the Majlis to his will, to transmit firm orders to the executive and to get them obeyed. The machinery neither of the central government nor of the provincial administrations was such that—as in France today—it would continue to work smoothly and to provide the basic needs of good government without continual and authoritative supervision from the top. And—except in the tribal areas—there was no long-established tradition of more or less democratic local government which would enable communities to manage their affairs satisfactorily without any official assistance. The result was chaos; the oppressive rule of a single, central tyrant either by a local, equally oppressive, less easily evaded, but probably more transient, tyrant, like Kuchik Khan, or by the arbitrary rule, equally oppressive but longer established and thus less resented, of a local tribal leader, like Sheikh Khazaal of Mohammerah, or by endemic civil war between two or more would-be regional tyrants, or by foreign occupation.

It is perhaps unfair to blame all this on the Constitutionalists. It is at least possible that the whole corrupt, unwieldy central despotism of Qajars might have broken down under the weight of its own inefficiency even if there had been no constitutional movement. The same thing had happened before in Persia with the same ultimate result. For a period of chaos ended with the assumption of the central authority by a single, strong man, who proceeded to resuscitate the old machinery of despotism by the infusion of a new and vigorous personality.

The achievements of Reza Shah, as he became on his accession to

the throne in 1925, can be divided into three categories. First, he restored and maintained the authority of the central government over the various centrifugal forces, separatist groups and autonomous organizations which had flourished as a result of the weakness of the executive. Secondly, he liberated Persia from the continual interference and frequent domination by various of the Great Powers from which the country had suffered for nearly a century. Thirdly, he attempted, by encouraging and enforcing industrialization, secular education and administrative efficiency, to convert Persia into a modern state, and so to narrow the material and technical gap between Persia and the West which had come about as a result of Persia's long isolation from the West and which continually exposed Persia to the threat of domination by the West. In broad terms, Reza Shah succeeded in his first two tasks and failed in the third. Inevitably, or almost inevitably given Persia's geographical position, the failure over the third task meant that his success in liberating Persia from the interference and domination of the Great Powers could only be temporary. For, except on the basis of modernity fortified by a reasonably effective army, backed by industrial production and by an economy independent of the necessity for foreign loans and foreign aid, Persia could neither effectively defend her neutrality, nor, having entered into an alliance with some Great Power or group of Great Powers, be other than a passive, subordinate and dependent partner in that alliance.

Reza Shah's abdication in 1941 was preceded by a simultaneous invasion of Persia by British and Russian forces to which only a token resistance was offered by the Persian armed forces and no resistance at all, in the way of guerrilla warfare, sabotage, boycott etc. by the Persian population as a whole. In part, this lack of resistance, this inability or unwillingness to oppose the will of the Great Powers, was due to a general dislike and distrust felt by most Persians for Reza Shah as a result of the capricious tyrannies of his later years. But with this dislike and distrust was mingled a fear and a respect which might have enforced obedience to his will, even in face of invasion, or perhaps particularly in face of invasion, if Persia had had the material means, and the consciousness of having the material means which would have made the possibilities of effective resistance other than entirely derisory. For the mere possession of the will and the means to some effective resistance, even if that resistance could be beaten down by the application of overwhelming force, would probably have caused the Allies to desist

from invasion and to secure such advantages as they could from negotiation. After all, the Azores were not seized by force from Portugal, even though the strategic advantage to the Allies of possessing the Azores was not less than the strategic advantage of a supply route through Persia, and even though Portugal could not have offered effective resistance to an Allied attack. But she could and probably would have offered sufficient resistance to persuade the Allies to have sufficient respect for Portuguese neutrality to substitute the slow process of negotiation for the drastic expedient of invasion.

We shall now examine the three categories of Reza Shah's achievement, starting with the restoration and maintenance of the central authority of the Persian government.

In March 1921 Reza Khan, the commander of the Cossack Division of the Persian army, and Sayyid Ziaeddin Tabatabai, a young politician believed to be of pro-British sympathies, together engineered a bloodless *coup d'état*, as a result of which Sayyid Ziaeddin became Prime Minister and Reza Khan commander-in-chief of the armed forces. One of the first actions of the government was to move the Majlis to ratify the Russo-Persian and to denounce the Anglo-Persian treaties. (See last chapter.) Then, the Prime Minister refused to admit the Soviet Minister to Persia until Russian troops had been withdrawn from Gilan, where they were supporting the 'republic' of Kuchik Khan, and, at the same time, asked the British to delay the final evacuation of their troops from Persia until the Russians had completed their evacuation.

Within two months of the *coup*, Reza Khan and Sayyid Ziaeddin quarrelled, whether because of the latter's pro-British sympathies or for some other reason is uncertain. As a result Sayyid Ziaeddin went into exile where he remained, mostly in Palestine under British protection, until he returned to Persia, 20 years later, after Reza Shah's abdication*. A new government was formed. Reza Khan became Minister of War as well as remaining commander-in-chief. He became Prime Minister in 1923 and remained Prime Minister until his accession to the throne in 1925. From thenceforward he was the real power in the land. With the army at his back he proceeded to restore the authority of the government throughout the divided and distracted land. In September 1921, when Russian troops, after repeated Persian protests (and after a continued refusal to admit the Soviet Minister), had been withdrawn, he re-occupied Gilan, put an end to Kuchik Khan's 'republic',

*He is still (1962) alive and living quietly on his country estate near Tehran.

and captured Kuchik Khan who was taken to Tehran and hanged in October 1921. In 1922 he put down rebellions in Azerbaijan, Kurdistan and Khorassan, had the ringleaders executed and restored these provinces to the authority of the central government. The following year he marched into the south, where the great tribal leaders of the Lurs, the Bakhtiari and the Qashqai had for years led an autonomous existence, defying and sometimes attempting to usurp the authority of the central government, terrorizing provincial governors and, on occasion, conducting independent negotiations with foreign Powers. Having subdued the tribes, Reza Khan turned his attention to Sheikh Khazaal of Mohammerah, a *protégé* of the British, who was the virtual ruler of the Persian province of Khuzistan, negotiating directly with the Anglo-Persian Oil Company over matters arising out of the Abadan refinery, and whose importance in the affairs of the Persian Gulf was so great that he dealt on equal terms with such potentates as the Sheikh of Kuwait, and had even been considered by the British as a possible candidate for the kingship of the new state of Iraq. Reza Khan was unimpressed either by the princely pretensions or by the powerful connections, and Khazaal was dispossessed of his authority and thrown into jail.

Reza Khan, having restored the power behind the throne, now, after a period of doubt during which he seriously considered the possibility of making Persia into a republic with himself as President (probably by analogy with Kemal Ataturk whose rise to power had been almost contemporaneous with his own), decided to depose the Qajars, to assume the throne himself and to found a new dynasty. So, in 1925, in due constitutional form, Ahmed Shah, the last of the Qajars (who had succeeded to the throne in 1909 at the age of 12, when his father Mohamed Ali Shah was deposed, who had never at any time exercised any personal authority, and who had been living in Europe for the past two years) was deposed and, by an amendment to the Constitution, the new dynasty of Pahlevi was proclaimed with Reza Pahlevi as Shahinshah. It is noteworthy that, although Reza Shah, throughout his reign, and during the two or three years before he was crowned, acted much as a personal dictator, he always, or almost always, did so according to the strict letter of the Constitution which, without any amendment other than that required to legitimate the Pahlevi succession, remained in force throughout his reign. His will was enforced not by decrees but by legislation produced by an obedient Majlis, most of whose members were

personally selected by the Shah and imposed on the electorate by the provincial administrations acting under the orders of the Shah.

The process of military pacification having been completed before his accession to the throne, Reza Shah, having restored the authority of the central government, proceeded to consolidate it. He purged the central and provincial administrations of Qajar nominees and hangers-on, he limited the powers of the Shia religious establishment which, largely as a result of the support which they had given to the Constitutional movement, had greatly increased in influence over the previous 15 years and, with their obscurantist ideas and xenophobic tendencies, attempted to set themselves in opposition to Reza Shah's policy of modernization and secularism. But, whether through prudence or lack of conviction, Reza Shah's secularizing policy was nothing like so thorough-going as that imposed by Atatürk in Turkey. Jurisprudence was secularized and religious persecution and discrimination severely discouraged, but Shiism remained the official religion of Persia. The wearing of the veil was prohibited, but women were still denied the vote. A secular university was established in Tehran, but madrasahs (religious schools), the membership of dervish cults (a kind of Shia freemasonry) and the glorification of sacred shrines continued to be permitted. The political aspects of the religious establishment were repressed, but their considerable properties were allowed to remain intact. For their part the mullahs, after a few public demonstrations, which were ruthlessly suppressed, retired into exile or religious meditation, and waited for better times.

The big landlords, while their political power and previous ability to dominate the Majlis were limited by the revived authority of the central government, were allowed to remain in undisturbed possession of their lands and wealth (and even increased both as a result of the government's policy of selling Crown lands in order to raise revenue) and were, for the most part, content to enjoy these and, like the mullahs, to lie low and to wait for better times.

In the pursuance of his second achievement—the liberation of Persia from the interference and domination of the Great Powers—Reza Shah was conscious that his modernization policy necessitated the increased use of Western industrial materials and Western industrial techniques. Generally, his policy was, firstly, to avoid using the services of, or making contracts with, individuals or firms who were the nationals of the 'colonialist' powers, meaning principally Britain and Russia, and,

where the services of foreign individuals and foreign firms were necessary, the nationals of other countries were employed. For example, Belgian experts were used to help reform the Customs administration, French experts for legal and public health reform, an American mission to reform the financial administration, Swedish officers to train the army, Italian officers to train the navy, and, increasingly, Germans as contractors and technicians. Secondly, his policy was to finance his reforms entirely out of the proceeds of taxation and to eschew entirely application for or acceptance of foreign loans from any sources whatsoever. He was determined that his foreign advisers should be his servants and not his masters.

In pursuance of this policy Reza Shah (in 1921) disbanded the British-raised and British-officered South Persia Rifles and got rid of the remaining British advisers in government service. In 1922 the British financial adviser was replaced by an American, Dr. Millspaugh, who is said to have recommended state monopolies as a means of financing development and who was instrumental in founding the National Bank of Iran to which was transferred the right of issuing and controlling currency, previously possessed by the British-owned Imperial Bank. In 1927, Millspaugh and his mission were replaced by a German financial mission. Generally, Germans were favoured by Reza Shah as belonging to a nation which was highly efficient technically but which, as Reza Shah believed, had no longer any 'imperialist' ambitions towards Persia. Thus, a large number of German advisers were employed and a large number of German contractors hired. In particular, Reza Shah, by controlling a large part of the country's foreign trade which became vested in the government as a result of the state monopolies, was able to divert a large part of Persia's foreign trade from its traditional market, Russia, to Germany. All this was to have important effects later, during the second world war and before the Allied occupation, when German influence, built up as a result of their expanding pre-war relationships with Iran, was believed by the British and Russians to be more powerful than it probably was, a belief which was an important influence in determining the policy actually pursued towards Reza Shah and his government.

There were two particular matters in respect of which Persia's relationships with the Great Powers needed to be adjusted in order to confirm and to consolidate Persia's sovereign independence. This first was the question of the capitulations. The U.S.S.R., by the 1921 treaty,

had abandoned capitulatory privileges for her nationals. In 1927, by agreement with the various Powers concerned, the capitulatory privileges of all other foreign nationals residing in Persia were abolished and all foreign nationals in Persia became subject to the territorial jurisdiction of the Persian courts. (This amicable arrangement with the Powers only became possible as a result of the progress being made by Reza Shah in the reform of the Persian courts.)

The second matter was that of relationships between the Persian government and the Anglo-Persian Oil Company. These relationships were financially regulated by the 1901 d'Arcy concession and the 1920 Armitage-Smith award. Oil exports, and revenue to the Persian government from these exports, had been steadily increasing over the years. In 1919 royalty payments to the Persian government amounted to £469,000 on a production of just over 1 million tons. By 1930 royalty payments had increased to £2,228,000 on a production of about 5½ million tons. It will be recollected that the royalty payments were based on 16 per cent of the net profits on the concessionary Company's operations. As a result of the economic slump which engulfed the economy of the Western world from 1929 onwards, the profits of the concessionary Company were sensibly reduced and, in June 1932, the Company announced that, due to a fall in the Company's net profits for 1931, royalty payments to Persia for 1931 would only amount to £306,872, as compared with over £2¼ million the year before.

Ever since 1926 the Persian government had been carrying on negotiations with the Company for an improvement in the terms of the concession, alleging, amongst other things, that the Armitage-Smith award was invalid in that Armitage-Smith had had no proper authority to come to an agreement with the Company on behalf of the Persian government. In November 1932, a few months after the announcement of the reduced royalty payment for 1931, the Persian government formally notified the Company of the cancellation of the 1901 concession on the ground that they could not be bound by the terms of a concession granted prior to the constitutional regime, but notified its willingness to negotiate a new concession. (It may be noted here that the British-owned and operated Indo-European Telegraph Company, which had been operating in Persia since the 1860s under the terms of concessions granted at that time, had been nationalized by the Persian government in the previous year. This company, which had originally operated land lines though Persia which carried most of the telegraph traffic between

Britain and India had, by the time of its nationalization, lost most of its strategic and commercial importance as a result of the development of a submarine cable route to India via Suez.)

There were several causes of friction which had, over the years, developed between the Persian government and the Company, of which the following were the most important:

(a) The d'Arcy concession covered the whole of Persia except for the five northern provinces. In 1916 a concession for the exploitation of oil resources in these five northern provinces was given by the Persian government to a Russian national named Khoshtaria. In view of war conditions, the concession was not immediately exploited; by the end of the war the concessionnaire became aware that he, or any other holder of a concession in the north, could only convey any oil discovered under the terms of that concession to the Persian Gulf by permission of the Anglo-Persian Oil Company, as that Company had, under the terms of the d'Arcy concession, a monopoly for the construction of pipelines to the Persian Gulf from the interior. Largely as a result of this consideration the Anglo-Persian Oil Company was able, in 1920, to purchase Khoshtaria's concession for the derisory sum of £200,000, thus acquiring, on paper, concessionary rights for the exploitation of oil resources all over Persia. After the signature of the Russo-Persian treaty of 1921 by which the U.S.S.R., *inter alia*, renounced any concession in Persia previously granted to Tsarist nations, the Persian government refused to recognize the validity of the Khoshtaria concession purchased by the A.P.O.C. which thus became inoperative. But the existence of the pipeline monopoly in the hands of the A.P.O.C. under the terms of the d'Arcy concession effectively prevented anyone else from taking up a concession for the northern provinces, although one was offered by the Persian Government to two American companies—Standard Oil of New Jersey and Sinclair.

(b) The A.P.O.C. held the site for the refinery on Abadan Island under a lease from Sheikh Khazaal of Mohammerah. Similarly, arrangements for pipeline wayleaves, labour recruitment, property protection and so on had been made, not with agents of the central government, but either with Sheikh Khazaal or with one of the local tribal chiefs, to whom regular subsidies were also paid in consideration for the 'protection' afforded to the Company's operations. As far as the Company was concerned, this was a matter not of choice but of necessity since, before the days of Reza Shah, the central government's writ did not run

in Khuzistan or in the neighbouring mountains and it was necessary, in practice, to deal with the *de facto* rather than with the *de jure* authority. There was also no doubt a certain amount of convenience in being able to get matters settled on the spot instead of submitting to the delays which would have been incurred as a result of having them referred to Tehran. After the dispossession of Sheikh Khazaal, however, it was felt by the Persian government that the Company had, as a matter of deliberate policy, encouraged his independence of the central government and subsidized him as a means of maintaining that independence in order to create a British-protected *imperium in imperio* in south-western Persia, within which the Company could conduct its operations independently of and without reference to the Persian government. Some colour was given to this suspicion by the facts that (a) the British government had a controlling interest in the Anglo-Persian Oil Company, and (b) Sheikh Khazaal was well-known to be a *protégé* of the British government whose local representatives had, on occasion, treated directly with him without reference to the Persian government.

In addition to these two specific matters, there was also the case of the Armitage-Smith award which, although favourable to the Persian government's claim as it was presented at the time, was subsequently regarded as an instance of coercion applied to the Persian government by an official of the British government (Armitage-Smith was a Treasury official seconded by the British government to the service of the Persian government) in the interests of a British government agency.

Generally, therefore, Reza Shah must have felt that, in pursuance of his policy of liberating Persia from British influence, it was necessary to have a 'show-down' with the Anglo-Persian Oil Company as being not merely a foreign concessionary company enjoying monopoly rights in Persia over what was beginning to be recognized as Persia's most valuable natural asset, but an agency of the British government which, as a result of encroachments practised on previous Persian governments by Britain, was enjoying something like extra-territorial privileges in Persia. At the same time Reza Shah recognized the necessity of renewing the concession in some less objectionable and, if possible, more profitable form in order that Persia should continue to receive the valuable and increasing revenues accruing from the export of oil. Reza Shah had no illusions about the chances of being able to achieve this without some sort of agreement with the Anglo-Persian Oil Company.

The reduction in the 1931 royalty provided the occasion for the

'show-down'. After the cancellation of the concession both governments brought the dispute before the Council of the League of Nations (January 1933). After the presentation of arguments by both sides, direct negotiations between the Persian government and the Company were renewed under the chairmanship of a League of Nations rapporteur. Both the British government and the Persian government, as well as the Company, were in favour of a speedy settlement and, in April 1933, a new agreement was signed, of which the following were the principal conditions:

(a) the concessionary area was reduced to 100,000 sq. miles, to be selected by the Company from the area covered by the original concession (Article 2).

(b) the basis of payment was revised to provide for a royalty of four shillings a ton on all oil produced plus a sum equal to 20 per cent of any annual distribution to the Ordinary stockholders of the Company in excess of £671,250 with a guaranteed minimum of £750,000 in respect of the sum of these two amounts. (Article 10).

(c) on the expiry or surrender of the concession the Company was to pay to the Persian government a sum equal to 20 per cent of the increase in the sum of the Company's general reserve and cash balance accrued between December 31, 1932, and the date of expiry or surrender of the concession.

(d) the period of the new concession was to be for 60 years, i.e., until 1992. (The 1901 concession would have expired in 1961.)

(e) royalties for 1931 and 1932 were to be re-calculated on the basis of the new concession and the Company, in addition, was to pay £1 million to the Persian government in full settlement of all outstanding claims on the Company by the government.

(f) arrangements were made for payments in lieu of taxation amounting to a minimum of £300,000 per annum.

(g) Article 21 of the new Agreement provided that 'this concession shall not be annulled by the government and the terms therein contained shall not be altered either by general or by special legislation in future, or by administrative measures or by any acts whatever of the executive authorities'.

As a result of the new agreement the royalty payable to the Persian government for 1931 was increased from the original figure of £306,872 to £1,525,883. More importantly, Reza Shah had secured the prospect of a considerably increased revenue in future from the exploitation of Persia's oil resources, had relieved Persia of what was in effect a British monopoly of these resources and, most importantly of all, had demonstrated his ability to negotiate successfully and on equal terms with the British government, under the aegis of the League of Nations, without the application of external pressure or diplomatic threats by the British government.

(In 1935 the name Persia was officially changed to Iran and Reza Shah expressed the wish that foreigners should henceforward invariably refer to the country as Iran. In accordance with that wish the name of the Anglo-Persian Oil Company was changed in that year to Anglo-Iranian Oil Company.)

During most of Reza Shah's reign Russian diplomatic pressure in Tehran and Russian military pressure on Iran's northern borders were almost non-existent although there were considerable Russian attempts at 'squeezing' Iran's trade by exploiting northern Iran's traditional need to export its agricultural produce to Russia (this was one of the principal reasons which induced Reza Shah to divert as much of Iran's trade as possible from Russia to Germany), and a good deal of underground communist activity which emanated from Russia and which was directed by official Russian agencies. But Russia, with her military pre-occupations in the West after the advent of the Hitler regime in Germany, was in no position to pursue an expansionist policy in the south-east except by way of propaganda. Reza Shah pursued a pacific and friendly policy towards his other territorial neighbours. With the Turkish regime he had strong ideological ties. He did not allow the existence of old rivalries and latent frontier disputes to disturb friendly relations with Iraq and Afghanistan. In 1938, Iran was a party to the Saadabad Pact of non-aggression and consultation together with Turkey, Iraq and Afghanistan.

In the pursuance of his third aim, the modernization of Iran, Reza Shah's achievement was more considerable and less successful. But comparative lack of success should not obscure the enormous advances towards modernization made in Iran during the 20 years of his tenure of supreme power. In 1920 Persia, in its military organization, in its system of administration, in its jurisprudence, in its educational and

public health facilities, was not only far behind Western Europe but was also far behind such Eastern countries as India and Egypt which had gone some way along the road to modernization at the hands either of indigenous reformers like Mohamed Ali in Egypt, whom Reza Shah so greatly resembles, or of European administrators. By 1940 Iran was, in these matters, not inferior to these other Eastern countries. She had decisively turned her back on the age-old conservatism which inhibited the possibility of material progress and had become equipped with the framework of a modern system which, imperfect as it was in practice, did possess within itself the capacity for evolution, adaptation and improvement. In these 20 years the essential prerequisites of a modern state were created.

'The changes brought about in Iran by Reza Shah were of sufficient magnitude to qualify as a revolution; yet the extent of this revolution has not been fully appreciated, and is not easy to measure. The reasons for this difficulty are threefold; the changes were effected with the active, enthusiastic support of many and the tacit approval of the majority of Iranians, thereby minimizing the elements of resistance and struggle; the events in Iran were overshadowed by a drastic revolution in Russia and a radical upheaval in Turkey and therefore by comparison appeared mild; the Reza Shah movement lacked organized, deliberate media of expression and the defined, well-formulated and well-publicized ideology that has come to be considered the necessary baggage of any revolutionary movement.'*

Nevertheless, revolution it was and, like all revolutions, carried out with the support of a considerable body of intelligent and active enthusiasts, inspired by a definite ideology.

'The ideals underlying the changes that took place in Iran from 1921 to 1941 were threefold; a complete dedication to the cult of nationalism-statism; a desire to assert this nationalism by a rapid adoption of the material advances of the West; and a breakdown of the traditional power of religion and a growing tendency towards secularism, which came as a

**The Modernization of Iran* by Amin Banani, Stanford Univ. Press 1961, p. 44.

result of the first two ideals. At the heart of these ideals, shared alike by the Iranian people and by Reza Shah himself, was an intense nationalism—from it developed all other motivation.

‘These ideals represented the triumph of Western influence in Iran. She now entered an era in which Western influences, long felt but never before part of a coherent pattern, came to be of decisive importance. Although Iran was not completely Westernized, all the changes that took place were motivated by Western-inspired ideals. This distinction between complete emulation of and identification with the West, and adoption of Western-inspired ideals and activities, must be borne in mind at all times. It is a key to the understanding of the Iran of the Reza Shah era.’*

Much of the enthusiasm which had inspired the constitutional agitation but which had become embittered and frustrated by the inefficient chaos into which the Constitutional regime had fallen was, at all events at the outset of his regime, at the service of Reza Shah in pushing forward his reforms against the obscurantism of the religious establishment, the apathy of the masses and the vested interests of various beneficiaries of the old order. For they had come to realize that the nineteenth century liberal panacea of political reform was absolutely useless without social and administrative reforms and that social and administrative reforms did not automatically follow from, and might even be impeded by, political reform. The extent to which Reza Shah’s dictatorial methods were tolerated by and even, for a time, gloried in, is explained in part as a reaction of disappointment from Constitutionalism and is of a piece with that almost world-wide reaction from liberalism which, in the two decades after the first world war, tended to exalt dictatorships as a means of ‘getting things done’. The ultimate discredit into which ‘fascism’, or whatever one chooses to call it, fell should not lead us to forget that the original popular impulse towards ‘fascism’—in Iran and elsewhere—derived from a belief that a ‘strong man’ would be able to accomplish those urgently needed social reforms which liberal democracy, in its various forms, had failed even to attempt.

In point of time, the first reform instituted by Reza Shah was the modernization of the army. This was urgently necessary as a condition

*Banani, *op. cit.*, p. 45.

of the restoration and maintenance of the authority of the central government which was Reza Shah's first task. Up to 1921 there had been no national army in Iran. There were provincial and tribal levies, the palace guard, the Cossack Brigade, the South Persia Rifles, the Swedish-officered Gendarmerie. There was no recognized chain of command, no unified system of recruitment, no national uniform, no regular scale of pay. When Reza Khan became commander-in-chief of the armed forces, he had no armed forces to command. He proceeded to create them. The old regional and tribal levies were disbanded and the old hereditary and princely leaders dismissed. A professional officer corps was formed and trained either by locally-engaged foreign professionals or in military academies abroad (mostly in France). In 1925 compulsory military service was introduced. Regular systems of pay, promotion and retirement were worked out. Modern military equipment, including armoured cars, machine guns, artillery and aircraft, were purchased from abroad (mostly from Germany, Sweden and Czechoslovakia) and officers and men trained in their use. A small navy was created in the Persian Gulf with the help of Italian instructors. An annual average of about one-third of the national budget was devoted to military purposes, and most of the oil revenue (which was not included in the budget) was spent on military equipment. It is melancholy to record that all these efforts and all this expenditure did not produce (and perhaps in the time available could not have produced) an army which was adequate for any needs more ambitious than those of internal security. But a modern army is essential to the requirements of a modern state and it is unreasonable to criticize Reza Shah for the priority given and the resources devoted to the modernization of the Persian army.

The second of Reza Shah's reforms in point of time was the reform of the administration. In 1921, just as there was no professional army in Iran, so there was no professional civil service. In December 1922, a law was promulgated which, for the first time, laid down a system of entry, a table of rank, a scale of pay, a disciplinary code, and a system of promotion for government service. Like any civil service in emergent countries, as a result of inexperience, overstaffing and underpayment, the new civil service soon became a by-word for bureaucracy and corruption but, unlike the old system of personal appointments, promotions and dismissals, in which government officials were regarded more or less as the personal servants of aristocratic heads of departments, it did contain within itself the possibilities of evolution and improvement. At the

same time the provincial administration was reformed, the modern administrative divisions of Ostans, Shahrestans and Bakhsh adopted, the duties of local officials defined and a comprehensible chain of command created from the Ministry of the Interior downwards.

Some reform of the legal system had, in theory, been brought about as a result of the Constitution. One of the principal demands behind the Constitutional agitation had been the demand for a fixed code of law. A system of civil courts had been created and a civil code drawn up. But, in practice, most legal cases, both criminal and civil, were tried in accordance with the Shar'ia, or religious law. Under Reza Shah effective civil courts were set up, effective civil and penal codes promulgated and a proper system of land and property registration inaugurated. Recognized legal qualifications were required of judges and, generally, the Shar'ia system of law was, except in purely religious matters and in some cases of personal status, replaced by a modern system of jurisprudence based on European models. This particular reform was rendered necessary by Reza Shah's determination to abolish capitulations (which was done in 1927), and he realized that this could only be accomplished with the agreement of the interested Powers, provided that there was some near prospect that the courts of Iran, to which European nationals would henceforward become subject, were able to dispense something approximating to what, in twentieth-century terms, could be regarded as even-handed justice.

Educational reform was a necessary concomitant to any social or administrative reform since, for the manning of reformed institutions, regular and increasing supplies of educated youth were necessary. Up to the end of the nineteenth century, apart from the foreign mission schools, such education as there was in Iran was conducted, as to primary education, by the *maktabs* (kindergartens) attached to the mosques, and, as to secondary education, by private teachers, mostly *akhund*, or religious functionaries, who taught in their spare time. There were also a number of religious seminaries (*madrassa*) teaching purely religious subjects. After the granting of the Constitution some progress was made with the establishment of state schools but, by 1920, there were only 10,000 places, primary and secondary, in the state schools. Under Reza Shah the system of state education, both primary and secondary, was extended and organized on the French model. Teachers' training colleges were set up, examinations devised, standard curricula introduced, text books printed, and arrangements made for training teachers and

advanced students abroad. In 1935 the first secular university, at Tehran, was opened.

Such progress as was made in public health was largely as a result, and through the influence of the establishment, in 1923, of a Pasteur Institute in Tehran. A medical school was opened, standards set for the licensing of physicians, vaccination made compulsory, and charitable organizations for child welfare and care of the destitute set up under official patronage. In the field of public health, as in other fields of administration, foreign experts were largely employed for training purposes and arrangements made to provide for the training of Persian doctors abroad.

In all these reforms considerable, if mainly passive, opposition was encountered both from the religious establishment and from the various beneficiaries of the old system—or lack of system. Corresponding support was forthcoming from the potential beneficiaries of the reforms—from the emergent middle class for whom these reforms represented the threshold of opportunity for, at all events, a secure livelihood and, possibly, wealth, influence and power. It is perhaps natural that much of this enthusiasm should have waned after the opportunities had been created and when the potential beneficiaries realized that the attainment of their ambitions would be the product of application, study and experience and was not the automatic result of emancipation from the shackles of an antiquated regime. It was this realization of the implications of a career open to talents instead of a career open to privilege, as much as the disillusion created by Reza Shah's increasing arbitrariness and caprice, which damped the enthusiasm of those whose fathers were the original begetters and who were themselves the natural beneficiaries of the reforms.

All these reforms involved a progressive increase in government expenditure and necessitated drastic improvements in the methods of raising revenue. In order to provide this, the machinery of tax collection was reorganized by an American mission, headed by A. C. Millspaugh. Since the administrative machinery was still inadequate for the assessment and collection of direct taxes, stress was laid on improvements in the methods of assessing and collecting indirect taxes, and particularly Customs revenue. Possibilities were limited at first by the existence of various restrictive Customs treaties with foreign Powers which had been imposed on Iran in the days of her weakness. Gradually these treaties either expired or were evaded or abrogated as the occasion

served. Customs assessment and collection were tightened up with the aid of Belgian experts who had originally been engaged during the previous regime. Recourse was also had to the establishment of state monopolies on a variety of articles; but these were only used specifically for revenue purposes, in the case of tea and salt, in order to finance the construction of the Trans-Iranian Railway; otherwise they were used, either, as in the case of textile and glass, to encourage local manufacture or, as in the case of the diversion of Iran's agricultural exports from Russia to Germany, to direct the course of foreign trade for monetary or political reasons.

Comparatively little was done in the way of agricultural development and nothing in the way of reforming the oppressive and inefficient system of land tenure, which militated against increased agricultural production. Instead, emphasis was laid on industrialization as a means of modernizing Iran's economy and thus increasing her standard of living. (Such an increase was desirable, not only on general grounds, but specifically as a means of increasing the taxable capacity of the country and so of finding adequate finance for the various social and administrative reforms which had been instituted.)

The Trans-Iranian Railway is the best known and the most enduring monument to Reza Shah's industrialization policy. It was completed in 1937. In planning its route, Reza Shah was careful to provide that it ran as far as practicable from either the Russian or the British Indian railway systems, thus avoiding, as he hoped, the possibility of the railway's encouraging, or being used to assist in, a possible future invasion of his country. Centred on Tehran, its southern terminus was at Bandar Shapur on the Khor Musa at the head of the Persian Gulf and its northern terminus at Bandar Shah, near the south-eastern corner of the Caspian, both ports being especially constructed for the purpose. There was no obvious economic justification for the railway, since it was not needed for the movement of any essential exports from the interior to the Persian Gulf. Oil, Iran's principal export, was already located near the Persian Gulf seaboard, and most of Iran's agricultural exports moved out of the country across the Caspian. Since its completion the railway has been extended from Tehran eastwards to Meshed, westwards to Tabriz and south-east to Kashan; in the south a branch has also been built to provide for a second southern terminus at the port of Khorramshahr.

Economically, land reform and agricultural development, as a basis

for subsequent and gradual industrialization financed from increasing oil revenues, would probably have been a better basis for economic modernization than a further impoverishment of agriculture, based on absentee landlordism and crippled by the inadequate resources provided for, and the heavy taxes imposed on, the tenants who did all the work.

During his last years on the throne Reza Shah showed many of the sad, familiar signs of the moral deterioration of an ageing despot. Corrupted by years of slavish obedience to his will, disgusted, it may be, by accumulating evidence of human abjectness, irritated by a decline of physical powers and the shadow of approaching death, lonely and savage from lack of companions with whom he could converse on terms of equality, Reza Shah, like Nadir Shah before him, became increasingly capricious, increasingly greedy and increasingly cruel.

In September 1939, on the outbreak of the second world war, Iran proclaimed her neutrality, as she had done at the outbreak of the first world war, 25 years previously. At first it seemed that this neutrality was more likely to be defended, and less likely to be assaulted. As at the beginning of the first world war, both Great Britain and Russia were generally disliked in Iran and the Germans generally liked. As a matter of deliberate policy Reza Shah had cultivated close trade relations with Germany at the expense of both Britain and Russia. But the facts of geography—and geology—still held good. Iran still had a more or less undefended 2,000 km. frontier with Russia in the north, Britain was still the paramount Power in the Persian Gulf and the British-controlled oil resources of south-western Iran were at least as important to Britain in the second world war as they had been in the first.

With Russia, Turkey and Italy neutral, the war seemed sufficiently remote from Iran in the autumn of 1939. Even after the collapse of France and Italy's entry into the war in the summer of 1940, the whole width of the Arabian Peninsula still separated Iran from the struggle. But, in May 1941, Rashid Ali's revolt in Iraq, followed by the landing of British-Indian troops at Basra, once more brought the hostilities between the Great Powers to Iran's doorstep. However, since Rashid Ali did not constitute a likely threat to the Iranian oilfields, there was no immediate reason to apprehend a violation of Iranian neutrality. Disapproving British eyes were already being turned on Iran. Dr. Grobba, the German Minister in Tehran, was in close touch with the

Iraqi rebels and was believed by the British to be taking advantage of the complaisance of the Iranian authorities to prepare sabotage plans against the oilfields. For some weeks prior to the German invasion of Russia in June 1941, the British had been protesting to the Iranian government about German activities in Iran and suggesting a decrease in the number of German technicians and other German nationals in Iran which, it was alleged, was far in excess of what was necessary for legitimate purposes compatible with Iran's neutrality. The German invasion of Russia precipitated matters. Russia added her complaints to those of Britain and both governments expressed dissatisfaction at what they regarded as the evasive replies received from Tehran.

By this time the potential utility of Iran, with its newly-constructed Trans-Iranian Railway, as a supply route to Russia was beginning to be realized both by the British and by the Russians. Since Hitler's occupation of most of Europe, of the only other two available supply routes, the Dardanelles and Bosphorus were barred by Turkey's neutrality, which was less easily assailable than that of Iran owing to the strength of the Turkish armed forces and the close proximity of German armies in the Balkans, while the Arctic route was rendered difficult both by climatic conditions and the German occupation of the Norwegian coast. In view of this increasingly important consideration (it seemed that Russia's ability to survive the German onslaught depended on the regular receipt of munitions of war from the West), it is doubtful whether any amount of Iranian complaisance towards Anglo-Russian demands about a closer supervision of the activities of German nationals in Iran would have prevented an Anglo-Russian occupation of Iran, with or without the consent of the Iranian government. In the event and without, apparently, discussing with the Iranian government the possibility of an amicable arrangement for the use of Iran as a supply route to Russia (which would have meant, in effect, the end of Iranian neutrality, that expulsion of German nationals from Iran which the Iranian government had refused, and a considerable Anglo-Russian presence in Iran), the British and Russian governments, on August 25, presented simultaneous and similar Notes to the Iranian government expressing regret at Iran's refusal to abandon what was described as her pro-German neutrality and, after repeating the assurances usual on these occasions about respect for Iran's independence and territorial integrity, announced that British and Russian forces would jointly occupy Iran for the purpose of establishing and maintaining a supply route across Iran from the

Persian Gulf to the Russian frontier. The hope was expressed that the Iranians would not resist this occupation. Simultaneously with the presentation of these Notes, British and Russian forces entered Iran, the British from Iraq and the Russians from Transcaucasia and across the Caspian, joining hand at Qazvin, some 100 miles west of Tehran. Iranian resistance was negligible. Within three days a new Iranian government accepted the *fait accompli* and ordered all resistance to cease.

On August 30, the British and Russians presented further Notes to the Iranian government defining their respective areas of military occupation, demanding the expulsion of all enemy nationals from Iran (this demand was replaced after a few days by a demand for the surrender of all enemy nationals to the British or Russians) and stipulating the provision of all necessary assistance in the movement of troops and the transport of supplies. At the same time the British undertook to continue the payment to Iran of oil royalties in accordance with the provisions of the 1933 agreement between the Iranian government and the Anglo-Iranian Oil Company, and promised to evacuate their troops from Iran as soon as the military situation permitted. The Russians gave similar undertakings about the evacuation of troops and the maintenance of existing agreements about fishing rights in the Caspian. These Notes were accepted by the Iranian government after a little bargaining about the respective zones of military occupation (which left Tehran, and most of the centre of the country, outside these zones).

On September 16, Reza Shah abdicated and was succeeded by his 22-year-old son Mohamed Reza Shah. The ex-Shah was transported by the British to exile, first in Mauritius and then in South Africa, where he died in 1944. According to his son and successor, who should know, 'his abdication came chiefly because he was not the man to stay and see alien forces occupying the country and mixing in our affairs. In vivid language he told me that people had always known him as an independent monarch, respected and strong, representing only the interests of his country as he saw them. He said it was humanly impossible for him, who had such prestige and such a hold over his people, to act as the nominal ruler of an occupied country.*' Other accounts allege that his abdication was forced on him by the British and Russians who went out of their way to encourage all those indigenous elements, including all the most reactionary elements in the country, who were hostile to

**Mission for My Country*, H.I.M. The Shah of Iran, p. 74, Hutchinson, 1961.

him. Whatever may be the truth there is little doubt that the removal of the formidable old man was a relief to the Anglo-Russian allies and facilitated the somewhat reluctant process of co-operation with these allies which the Iranians now had forced upon them.

V

THE ANGLO-RUSSIAN OCCUPATION

The removal of Reza Shah from the Iranian scene was like the removal of the keystone from an arch which, thereafter, was only kept rather insecurely standing as a result of the hastily-erected framework of the Anglo-Russian occupation. There was no dominant personality, no coherent political party or group, either in collaboration with or in opposition to the occupiers, to fill the void left by Reza Shah; only a rabble of individuals, sometimes cohering transiently into minute groups, purely opportunist, actuated by no discoverable principle, guided by no consistent policy, devoted merely to the pursuit of personal ambitions and to the satisfaction of personal rancours. The new Shah, only 22 years of age, was, at first, too young and too inexperienced to wield any appreciable influence. The normal evolution of political personalities, policies and programmes from the confused welter of indecision, aspiration and apathy which Reza Shah left behind him was delayed and perverted, but not inhibited and in some ways even encouraged, by the circumstances of the Anglo-Russian occupation. The atmosphere of bribery and tale-bearing, double-dealing and subterfuge, resentment and self-seeking, characteristic of a foreign military occupation, was intensified by the fact that the two occupiers, underneath their temporary common strategic purpose, were engaged as rivals in a subterranean struggle with each other for the political control of Iran. And, in this struggle, the Iranians, and particularly the influential Iranians, were alternately cajoled and threatened by agents of both the rival allied Powers. In such a situation astute Iranian politicians generally contrived to use for their own domestic purposes the often clumsy foreigners who thought they were using the Iranians. In this world of intrigue, where there was no loyalty but only calculation, and where bribes were given and accepted with even more than the customary mutual contempt, a spirit of militant nationalism nevertheless grew up,

nourished, it may be, and made more fanatical, by the degrading shifts imposed upon educated people by the foreign occupation which, tempting rather than coercing them into compromising with their nationalism, set up a kind of traumatic xenophobia which, if less violent physically and ultimately less effective, was to become more deep-seated and more resentful than the relatively uncomplicated hatreds of other temporarily conquered peoples.

Characteristically of Iran, this national movement developed neither as a resistance movement against the occupying forces, nor within the framework of a unified political party. It was more like the gradual maturing of individuals, growing towards each other unconsciously, without organization, without a political programme and even without that common sense of the necessity for social reform which gave strength and coherence to many emergent nationalist movements.

Along with this maturing nationalism, the personality of the young Shah was also maturing. And, just as the nationalist movement, by reaction from the occupation to whose temptations and degradations its members were more directly exposed than was the Shah, was maturing away both from the West and from communism into a xenophobic laager of its own devising, so the Shah, by reason of education, predilection and, possibly, a prescient appreciation of his most likely potential allies against communism on the one hand and democratic nationalism on the other, was maturing towards the West.

These, then, were the two forces which, during the years of occupation, were each preparing themselves to fill the position of keystone of the arch vacated by Reza Shah, as soon as the end of the war, and the hoped-for end of the occupation, should leave the field clear for uninhibited political development. What was developing was the second round of the old constitutional struggle brought, if not quite up-to-date, at all events in line with the modern antithesis, so fashionable in the Middle East, between xenophobic democracy and collaborationist oligarchy. In the first round of the struggle the basic issue had been the rule of law versus the whim of the despot; it can be compared with the thirteenth-century struggle in England which culminated in the signing of Magna Carta. In the second round the rule of law was to be conceded by both sides and the point at issue was the source of executive authority—whether it derived from the people or from the throne; it can be compared with the seventeenth-century struggle in England culminating in the Civil War.

Meanwhile, during the occupation, conditions in Iran resembled those obtaining after the signature of the Anglo-Russian Convention in 1907, in that domestic affairs in Iran were once more dominated by Anglo-Russian rivalries. For, in 1941 as in 1907, while the British and Russians were nominally allies, in both cases that alliance had been superimposed on an underlying rivalry by reason of the common hostility of a third Power (in both cases Germany), and in both cases, as far as the Persians were concerned, the underlying rivalry was more apparent than the surface alliance, and a factor to be used and exacerbated as far as possible by the Persians in an attempt to exploit the disabilities imposed on them by that alliance.

As a result of the occupation, Iran was divided into three zones; the British zone consisting of the south; the unoccupied zone consisting of most of the centre and including the cities of Tehran, Isfahan and Meshed; and the Russian zone consisting of most of the five northern provinces of Azerbaijan, Gilan, Mazanderan, Asterabad and Khorassan (excluding the city of Meshed). The Iranian civil administration continued to function in the occupied zones and the military occupation was supposed to extend only to those matters which were deemed essential to military security.

Policy in the British zone was, generally, not to extend British military control beyond what was strictly necessary for military purposes. Policy in the Russian zone was to exercise a strict supervision over the indigenous civil authorities in every detail of their administration. This difference in policy between the British and Russians does not imply political disinterestedness on the part of the British. Both sides were thinking in terms of political control, but while the British were thinking in terms of a subservient but technically independent post-war Iran, the Russians, at that time, were almost certainly thinking in terms of absorbing parts of northern Iran into the Soviet system. In Iran the respective British and Russian roles in the Arab world were to some extent reversed. In the Arab world the British were anxious to retain their existing measure of administrative and political control, which the Russians were concerned to deny to them; the Russians therefore, to that extent, were working with the tide of nationalism. But in Iran the Russians were themselves anxious to establish administrative and political control and the British were concerned to deny it to them; thus the British were, to that extent, working with and the Russians working against the tide of nationalism. This difference partly explains the subsequent course of

events, which was to carry most of the Arab States towards an anti-Western and pro-Soviet neutralism and Iran towards a Western alliance. In Iran, Russian communism never became popularly regarded as an ally of Iranian nationalism, as happened in most of the Arab countries; also, in Iran, an eventual alliance with the West against Russian communism, although never popular, was at least politically feasible—which would not have been the case in most Arab countries.

The nature of Russian ambitions in Iran was revealed in Protocol I, para. 4 of the secret Four Power Pact drawn up between Germany, Russia, Japan and Italy in November 1940, in which it was stated: 'The Soviet Union declares that its territorial aspirations centre south of the national territory of the Soviet Union in the direction of the Indian Ocean.' This statement was amplified shortly afterwards in a statement by the Soviet Foreign Minister (Molotov) to the German Ambassador in Moscow, in which he said that the Soviet government would accept the Four Power Pact provided, *inter alia*, 'that the area south of Batum and Baku in the general direction of the Persian Gulf is recognized as the centre of the aspirations of the Soviet Union'. Russian wartime policy in Iran was a logical consequence of these aspirations.

British policy in the British occupied zone, although it was different from the Russian, was, owing to the virtual war-time autonomy of Anglo-Iranian and owing to the renewal of the previous close British relationships with the southern tribes, probably not much less subversive of the authority of the central government than was the Russian policy in the north.

The activities of the two occupying Powers were by no means confined to their respective zones of occupation. The centre of their diplomatic activity, their political intrigue and their propaganda, was in the unoccupied zone, in Tehran, the capital, the Tom Tiddler's ground between the two rival allies.

Ironically, one of the immediate results of the occupation was a considerable increase in personal liberties after the dictatorial regime of Reza Shah. Political prisoners were released, political exiles began to return to Iran (usually sponsored by one or other of the two occupying Powers), political parties began to be formed, and innumerable newspapers started publication, both in Tehran and the provinces. Contrary to the position in the first world war when sittings of the Majlis were suspended from 1915 to the beginning of 1921, such sittings continued as usual throughout the second world war and, in 1943, when the term of the



Thirteenth Majlis expired, elections to the Fourteenth Majlis were held. By the time of these elections, a number of political parties had been formed; none of them, except for the Communist, or Tudeh, Party, was at all closely knit by common principles or party discipline, and all of them, except for the Tudeh Party, consisted of small groups gathered round some particular personality. The Communist Party, which had been banned and went underground during the Reza Shah regime, was revived under the patronage of the Russian occupiers and became, as was to be expected, particularly influential in the northern provinces. It was renamed the Tudeh (masses) Party and, at first, in an effort to present itself as a genuinely indigenous party, played down its Russian affiliations, and put forward a programme of agrarian, social and administrative reforms acceptable to a liberal outlook generally. As a result of the Majlis elections in 1943, a bloc of eight Tudeh Party deputies mostly, but not all, from the northern provinces, were elected to the Majlis and gradually succeeded in attracting a certain number of newspapers and a few independent deputies into what its adherents were pleased to call the 'Freedom Front'. The rest of the deputies consisted either of independents or of members of small groups. Later, under the pressure of increasing Russian intervention in Iran's domestic affairs, and to a large extent under the impetus of the leadership provided by Sayyid Ziaeddin Tabatabai, the ex-Prime Minister and co-author with Reza Khan of the 1921 *coup*, who returned from his long exile in 1943, a large group of deputies coalesced into a more or less coherent anti-communist bloc. This bloc was supported by the Shah who, sedulously cultivating the allegiance and support of the army, was gradually emerging into the foreground of events as a personality in his own right; by the Shia religious establishment which, freed from the restrictions imposed on it by Reza Shah, was recovering much of its former power and influence and which, among less reputable prejudices, could always be relied upon to be firmly anti-communist; and by the British who, in co-operation with their *protégé* Sayyid Ziaeddin, and with the assistance of their special relationships with the southern tribes, were interested in giving support to, and building up the influence of, a counterweight to Soviet penetration. There was, however, a minority of deputies in the Fourteenth Majlis, among whom a certain Dr. Mohamed Mossadeq gradually emerged as the most prominent personality, who were also impeccably nationalist, but who showed themselves equally opposed to the Russian-controlled 'Freedom Front' on

the one hand and to what they regarded as the pro-British group led by Sayyid Ziaeddin on the other. This group, to which the Shia religious establishment later transferred its support, was, after the immediate Russian threat which developed after the war had been dispersed (largely as a result of the efforts of American diplomacy), destined to emerge as the spearhead of Iranian nationalism, directing itself both against British imperialism, as represented most prominently by the Anglo-Iranian Oil Company, and against the growing influence of the Shah, with whom, on the domestic front, Mossadeq became engaged in an almost-life-and-death struggle for supremacy.

As Russia's principal wartime anxieties receded after the victory of Stalingrad in the autumn of 1942, when it became apparent that an Allied victory was only a matter of time, the Russians began to assume an even more proprietary attitude towards Iran. During the autumn and winter of 1943-44, negotiations started between the Iranian government and various British and American oil companies for the grant of oil concessions in south-eastern Iran. Two American experts were also engaged by the Iranian government to survey oil resources in various parts of the country. These moves met with some criticism from the Majlis when they were announced by the Prime Minister, Mohamed Said, in August 1944. They also attracted the attention of the Russian authorities and, in September 1944, the Russian Assistant Commissar for Foreign Affairs, Sergei Kavtaradze, arrived in Tehran and, in the name of the Russian government, demanded an oil concession covering the five northern provinces. The immediate effect of this intervention was to cause the Iranian government hastily to reject all requests for oil concessions from all the sources—Russian, British and American—from which they were being solicited. This led to a violent attack on the Prime Minister from the Soviet press, from the 'Freedom Front' section of the Tehran press, from the Tudeh deputies and from Kavtaradze himself, who, in a press conference given at the Russian Embassy in October, announced that 'the disloyal and unfriendly position taken up by Premier Said towards the Soviet Union excluded the possibility of further collaboration with him' and appealed to the Iranian public to bring pressure on the government 'for a favourable solution of the dispute'.

This was followed by Russian-inspired demonstrations against the Prime Minister by the Tudeh Party in Tehran and Tabriz, and by accusations in the Russian press that the British and Americans were behind the Iranian government's intransigence. These accusations were

perhaps called forth by the fact that the British government had made no public objection to the attitude of the Iranian government over oil concessions and that the United States Ambassador in Tehran had publicly stated that Iran had a sovereign right to refuse to grant oil concessions. This was the first time that the Russians had brought the latent Great Power rivalry over Iran into the open and was an indication that the Anglo-American supplies passing through Iran to the Russian front were now less urgently required.

American forces had first come to Iran in 1942 to assist in the transport of what, by that time, were largely American munitions of war across Iran to Russia, and, in 1944, consisted of about 30,000 non-combatant troops, known as the Persian Gulf Command. A number of American advisers had also come to Iran during the occupation to assist in the re-organization of Iranian finances, security forces etc. Most important of these advisers was Dr. A. C. Millspaugh, who had been financial adviser in Iran 20 years before, who returned to Iran in the same capacity in 1942, and who, with his mission, was given considerable executive authority over Iran's finances until 1944 when, as a result of disputes with the Iranian government, he and his mission left Iran. It was some time, however, before the United States government took any diplomatic part in the 'cold war' which was developing in Iran between Russia and the West. The first example of any American diplomatic initiative which was not directly connected with the immediate wartime situation was the American Ambassador's statement about oil concessions in October 1944. From then onwards, however, the Americans were inexorably, and probably unwillingly, as a result of further Russian pressures, and as a result of British inability and unwillingness effectively to assist Iran in resisting these pressures, drawn towards an ever-increasing involvement in Iran's domestic affairs.

To return to the oil crisis. The Russian and Tudeh-inspired demonstrations against the government continued and, on November 8, Mohamed Said resigned. He was succeeded as Prime Minister by Mortaza Bayat, who was greeted with a further wave of demonstrations. At this stage Dr. Mohamed Mossadeq, a leader of the 'minority' nationalist group in the Majlis, stepped into the limelight and introduced a bill before the Majlis which made it a punishable crime for any minister to enter into negotiations with a view to granting oil concessions to any foreign interest without the prior approval of the Majlis. On December 2 this bill was approved by the Majlis without

debate. After a last protest to the new Prime Minister, Kavtaradze returned to Moscow. The immediate crisis was over. The first Russian attempt at direct intervention had been rebuffed, and Dr. Mossadeq had won his spurs on the field of nationalist struggle.

In January 1942, four months after the Anglo-Russian invasion, the position of the occupying forces had been regularized by the conclusion of a tripartite treaty of alliance between the U.S.S.R., Great Britain and Iran, under the terms of which the U.S.S.R. and Britain undertook to defend Iran from aggression on the part of Germany or any other Power, to respect the territorial integrity, sovereignty and political independence of Iran, to safeguard the economic existence of the Iranian people 'against the privations and difficulties arising as a result of the present war', and to withdraw their forces from Iranian territory 'not later than six months after all hostilities between the Allied Powers and Germany and her associates have been suspended'. In return, Iran undertook to co-operate with the Allies by providing facilities for the free passage of men and materials, for the recruitment of labour and for the censorship of all communications, on the understanding that the assistance of the Iranian army was to be limited to the maintenance of internal security on Iranian territory, that the presence of Allied troops would not constitute an occupation and would disturb as little as possible the administration and economic life of the country.

Apart from the political effects which have been described, the economic effects of the occupation included an intensification of the normal wartime troubles of material shortages and currency inflation, due, as to currency inflation, to local Allied purchases on a severely restricted market and, as to material shortages, largely to Russian refusals to allow the normal movement of wheat and rice from the northern provinces to the rest of Iran. The material shortages were relieved by Anglo-American shipments of essential foodstuffs to Iran; the currency inflation proceeded more or less unchecked, with its usual disrupting social effects.

In November 1943, after the 'summit' conference held in Tehran between the three principal Allied leaders—Stalin, Roosevelt and Churchill—a declaration on Iran, signed by these three leaders, was issued in which the assistance given by Iran to the Allied cause was recognized, the continued grant of economic assistance to Iran promised, and the independence, sovereignty and territorial integrity of Iran reaffirmed. Two months before this declaration, in September

1943, Iran had declared war on Germany, thus expressing her conviction that Germany had lost the war and announcing her voluntary adhesion to the winning side.

With the surrender of Germany in the early summer and that of Japan in the early autumn of 1945, the Anglo-Russian pledge to evacuate their forces from Iran within six months of the termination of hostilities began to assume an immediate importance. In August 1945 the Tudeh Party in Tabriz, protected by Russian troops, made an unsuccessful attempt to stage a *coup d'état*. This unsuccessful, and not very whole-hearted, attempt was clearly either a dress rehearsal for, or, possibly, a premature disclosure of, another massive Russian intervention in the domestic affairs of Iran. In September the Russians rejected a British proposal that Russian troops should be evacuated from all of Iran except Azerbaijan and British troops from all of Iran except the southern oil-fields by December 15, and insisted on their right, under the tripartite treaty, to retain their troops in Iran without limitation until March 2, 1946, when the six month period provided for in the treaty expired. On October 23, Russian reinforcements moved into Azerbaijan. In November, the Tudeh Party in Azerbaijan, now re-named the Democratic Party, started a rebellion against the central government as a result of which, in December, an 'Autonomous Republic of Azerbaijan' was set up under the Premiership of Ja'afar Pishevari, a veteran Russian-trained communist. Iranian troops sent to crush the rebellion had been stopped on their way by Russian forces, and the 'Autonomous Republic' was clearly as much a Russian creation as the 'Autonomous Republic of Gilan' had been twenty-five years previously. The new 'republic' was rapidly organized on the traditional communist pattern; a start was made with the breaking-up of big estates and the nationalization of local industries and banks; behind a democratic façade all the apparatus of a police state was in process of being set up. At the same time, in western Azerbaijan, the Kurdish Democratic Party, encouraged by events in Tabriz, and also under the protection of the Russian occupiers, set up a 'Kurdish People's Republic' with its capital at Mahabad.

These events attracted agitated international notice. On November 24 the United States and British governments jointly proposed to the Russian government that all U.S., British and Russian troops should be evacuated from Iran by January 1, 1946. The Russian government rejected this proposal, reiterated their intention of evacuating by March 2, 1946,

in accordance with the treaty, blamed 'reactionary elements' for events in Azerbaijan and menacingly cited the clause in the 1921 Russo-Iranian treaty which gave the U.S.S.R. the right to send Russian troops into Iran in the event of Iran's being used as a base by any third party for an attack on the U.S.S.R. At a meeting in Moscow in December, the Foreign Secretaries of the United States and Britain tried, without success, to moderate the Russian attitude, but neither of these two Powers were, as yet, really prepared to stand up to Russia. In these discouraging circumstances the Iranian government acted with commendable firmness and fortitude. Ebrahim Hakimi, the Prime Minister, rejected a British proposal that Russia should be asked to agree to a three-Power investigating commission in Azerbaijan, and formally lodged a complaint of Russian interference in the internal affairs of Iran with the Security Council of the newly-formed United Nations Organization, requested an investigation, and declared Iran's willingness to furnish a full statement of facts to substantiate her complaint. The Security Council, still finding its feet, adopted the well-worn League of Nations formula of recommending direct negotiations between the two parties. Iran was thus once more left to her own devices.

On January 22, 1946, Hakimi resigned and Qavam Sultaneh, who had been Prime Minister for a short time during the war, and who was believed to be acceptable to the Russians, was charged with forming a new government. Having done so, and having procured the dismissal of General Arfa, the Iranian army chief-of-staff, who was suspected of pro-British sympathies, Qavam Sultaneh repaired to Moscow for direct negotiations. In Moscow, the Russian government proposed to Sultaneh that he should recognize the 'Autonomous Republic' of Azerbaijan, and that an Irano-Russian company be formed, in which Russia should have 51 per cent of the shares, for the exploitation of the oil resources of the five northern provinces of Iran. Qavam Sultaneh rejected these proposals and returned to Tehran. By this time the deadline for the evacuation of Allied troops had passed and British and American, but not Russian, forces had already completed their evacuation. Also, the legal term of the Fourteenth Majlis was due to expire on March 11. The Russian government had announced that it proposed to retain its forces 'in some parts of northern Iran', 'until the situation has been clarified'. The United States, British and Iranian governments had protested against this decision. It had been provided, by a previous resolution of the Majlis, that no elections could be held in Iran as long as foreign

troops remained in the country. The majority of the members of the Majlis feared, and the Tudeh members hoped that, in the event of the Majlis' being dissolved, the Prime Minister might be more amenable to Russian pressure. The Majlis therefore tried to prolong its own term; the Tudeh Party staged successful demonstrations in Tehran which prevented the Majlis from assembling a quorum. Russian reinforcements continued to arrive in Azerbaijan and proceeded to move south-east towards Tehran. Qavam Sultaneh once more appealed to the United Nations. On March 26, the Russian delegate to the United Nations announced that his government had reached an agreement with Iran to evacuate Russian forces from Iran within six weeks from March 24 'if no unforeseen circumstances arise'. As a result of this agreement, and as a result of Russian pressure, Qavam Sultaneh instructed the Iranian delegate to the United Nations to withdraw the Iranian complaint from the Security Council. Husain Ala, the Iranian delegate, suspecting the pressure behind the request, refused to do so—a notable imitation of Nelson's action at Copenhagen, which Husain Ala had probably learnt about while at school at Westminster. But the Security Council decided to accept the Russian statement and deferred further proceedings on the Iranian complaint until May 6—that is, until the expiry of the period of delay mentioned in the Russian statement.

On April 4 Qavam Sultaneh, deprived of the support both of the Majlis and of the Security Council, and clutching at the straw of the conditional Russian promise of evacuation, concluded an agreement with the Russian government which provided:

(a) for the evacuation of Russian forces within six weeks from March 24;

(b) for the establishment of an Irano-Russian oil company with 51 per cent Russian participation for the exploitation of the oil resources of the five northern provinces, and for the ratification of the establishment of this company by the Fifteenth Majlis within seven months of March 24. (The first concession to be given to this company was to be for a period of 25 years after which the shareholding was to be changed to a 50/50 basis and the concession renewed for another 25 years.)

(c) for the recognition of the status of Azerbaijan as a domestic Iranian matter in return for an undertaking by the

Iranian government that 'fair, peaceful arrangements will be made between the (Iranian) government and the people of Azerbaijan for the carrying out of improvements in accordance with existing laws and in a benevolent spirit towards the people of Azerbaijan.'

In accordance with this agreement, negotiations were opened between the Iranian government and Pishevari, acting on behalf of the 'Autonomous Republic of Azerbaijan'. On May 9, also in accordance with the agreement, the evacuation of Russian forces from Iran was completed. On June 14 an agreement was arrived at with Pishevari over Azerbaijan which reinstated the 'Autonomous Republic' as an Iranian province but which, in return, gave it a considerable degree of autonomy, including the disposal by the provincial council of 75 per cent of total tax revenues collected in Azerbaijan. On August 2 Qavam Sultaneh, still under considerable Russian pressure, and harrassed by Tudeh-inspired strikes and riots in the oilfields, reshuffled his cabinet in order to include three Tudeh Party members, together with Muzaffer Firuz, a Tudeh supporter who had negotiated the Azerbaijan agreement, as vice-Premier. It seemed as if Iran, in default of decisive action from either Britain or the United States was gradually disappearing behind what was already beginning to be known as the Iron Curtain.

The announcement of the reconstructed cabinet produced a belated and unexpected British reaction. British-Indian troops were landed at Basra, the last act of a long history of British-Indian intervention in the affairs of the Persian Gulf. A coalition of Bakhtiari, Qashqais and other smaller tribes in South Persia, undoubtedly with British encouragement, rose in rebellion against the Sultaneh government, demanding the dismissal of the Tudeh ministers. The rebels, who captured Bushire and Kazerun and other towns, and besieged Shiraz, had to be taken seriously. After a formal complaint against British interference, Qavam Sultaneh was forced to treat with Nasir Khan Qashqai, the leader of the rebellion, and to accede to his demand for the ousting of Muzaffer Firuz and the three Tudeh members from the government.

It seems probable that Qavam Sultaneh was not ill-pleased at the turn of events, which enabled him to adopt a somewhat bolder attitude towards Russian encroachments. Elections for the Fifteenth Majlis were due to start on December 7. Qavam Sultaneh made it clear that he would

send troops into Azerbaijan to 'supervize' the elections there, knowing that the alternative would be the return of Tudeh Party deputies from Azerbaijan to the Fifteenth Majlis. Pishevari protested and the Russian Ambassador in Tehran issued a warning that 'the movement of government forces into that part of Iran may result in disturbances within that province on the Persian borders adjacent to Russia' and advised that the government plans be abandoned. At this point George V. Allen, the new United States Ambassador in Tehran, took what was probably a decisive, and what was certainly a premeditated, initiative when he stated publicly that, in his opinion, the despatch of government troops into Azerbaijan to ensure tranquil elections was 'quite normal and appropriate'. This opinion was later publicly echoed in Washington by Dean Acheson, then the U.S. Under-Secretary of State. From that moment the American government was in fact committed to the support of Iranian independence against Russian encroachments. Soon after Ambassador Allen's pronouncement, Iranian troops moved into Azerbaijan. Pishevari issued a call to resistance. After a few minor skirmishes government troops entered Tabriz and the 'Autonomous Republic' collapsed. Some of the Democratic leaders were arrested, most, including Pishevari, escaped to the U.S.S.R. At the same time the Kurdish People's Republic was attacked and liquidated and the 'President' taken prisoner and executed. In Tehran the Tudeh Party headquarters were raided and many Party members imprisoned.

The way was now open for the elections to the Fifteenth Majlis. These elections were started in January 1947 and only completed by the middle of August. Qavam Sultaneh's 'Democratic' Party, which had been created especially for the elections, gained a substantial majority of seats. Dr. Mossadeq led an opposition group of about 25 deputies. The Tudeh Party secured 2 seats. The most important immediate problem before the new Majlis was the ratification of Qavam Sultaneh's oil agreement with the Russians. The Russian Ambassador repeatedly pressed the Prime Minister to relieve Russian apprehensions by arranging for a speedy ratification which (as a result of the delays in holding elections) was already overdue. Qavam Sultaneh was accused by the Russians of 'a return to the policy of enmity towards, and discrimination against, the Soviet Union'. Nevertheless, the Majlis was in no hurry to ratify the agreement which was severely criticized in a number of violent speeches. It is probable that the Prime Minister, who had negotiated the agreement under duress, was not anxious for its ratification and he

certainly made no serious attempt to defend it before the Majlis. In the midst of the Majlis' deliberations, the United States Ambassador, Allen, made another decisive intervention. On September 11, in an address to the Iran-American Cultural Relations Society, he made it clear that, in the opinion of his government, the Majlis was perfectly free to accept or to reject the oil agreement with Russia. His words are worth quoting in full:

'The U.S. have no proper concern with proposals of a commercial or any other nature made to Iran by any foreign government as long as these proposals are advanced solely on their merits. . . . We and every other nation in the world however do become concerned when such proposals are accompanied by threats of bitter enmity or by a statement that it would be dangerous for Iran to refuse. The U.S. is firm in its conviction that any proposal made by one sovereign government to another should not be accompanied by threats or intimidation . . . Patriotic Iranians, when considering matters affecting their national interest, may therefore rest assured that the American people will support fully their freedom to make their own choice. . . . Iran's resources belong to Iran. Iran can give them away free of charge or refuse to dispose of them at any price if it so desires.'

This statement was a logical consequence of the Truman Doctrine, enunciated by the U.S. President in April 1947, when he had declared that America's policy of containing communism all over the world would include the defence of small nations against communist aggression and infiltration. Greece and Turkey had already been promised specific economic and military aid to assist them in combating communist pressure, and it was becoming clear that Iran, provided that she, too, stood up to this pressure, would qualify for similar assistance. (It may be mentioned that the British attitude at the time was less robust. Possibly apprehensive of implications in respect of the A.I.O.C. concession, the British government instructed the British Ambassador in Tehran to advise the Iranian government to leave the door open for further discussions with Russia about oil.)

Encouraged by the implied American promise of support, the Majlis, in October, rejected the oil agreement with the U.S.S.R. by 102 votes to 2 and adopted a bill laying down:

(a) that Iran would, for the next five years, explore her own oil resources with her own capital.

(b) that the government's agreement with the U.S.S.R. in respect of an oil concession was null and void.

(c) that no new oil concession to or in partnership with a foreign national was to be granted.

(d) that in the event of oil's being found in Iran within the next five years the government might negotiate with the U.S.S.R. for its sale to that country.

(e) that the government must open negotiations with the A.I.O.C. for an improvement in the terms of the 1933 concession.

The rejection of the agreement by the Majlis provoked furious Russian protests. They alleged, not incorrectly, that the rejection was inspired by American intervention. It was implied in the Russian press that the Americans were preparing to use Iran as a base for hostilities against the U.S.S.R.—which, under the 1921 treaty, would have justified the re-entry of Russian troops into Iran.

In reply to these threats the Majlis, at the request of Hakimi, who had succeeded Qavam Sultaneh as Prime Minister in December 1947, ratified, in February 1948, an agreement between Iran and the U.S.A. providing for the purchase of military equipment by the former from the latter up to a value of 10 million dollars. The terms of service of the U.S. Military and Gendarmerie Missions were extended until 1949. In May 1948 the U.S. State Department proposed to Congress an appropriation of 60 million dollars for the supply of 'non-aggressive weapons' to Iran. By that time the U.S.S.R. was becoming increasingly absorbed further west with the problems arising from the status of West Berlin and the defection of Marshal Tito, and had turned the heat off Iran. The second Russian attempt at intervention in the domestic affairs of Iran had failed. In both cases this failure had been secured by the intransigence of the Majlis supported by the resources of U.S. diplomacy. As a result, by the end of 1947, the patriotism of the Majlis, and particularly of that minority group in the Majlis led by Dr. Mossadeq, had been triumphantly vindicated, and the necessity for, and the effectiveness of, American support reluctantly conceded. Conversely, the wavering and ineffective British attitude towards the Russian threats had greatly diminished the influence and prestige, not

only of the British themselves, but also of the anglophile majority group in the Majlis identified with the policies of Sayyid Ziaeddin. Russian influence, and with it the influence of the Tudeh Party, was temporarily in abeyance. The stage was set for the coming dual struggle between the Mossadeq nationalists and the British over Anglo-Iranian, and between the Mossadeq nationalists and the Shah over control of the executive power.

VI

THE NATIONAL FRONT

As from about the beginning of 1948 Russian pressure on Iran began to be concentrated on indirect subversion through the Tudeh Party rather than the more direct methods which had been employed over Azerbaijan and the oil agreement. Iran was certainly fertile soil for such attempted subversion and the Tudeh Party, after a momentary set-back due to the events of 1947, began again to attract popular support. This was not entirely, or even mainly, due to the Russian backing which it enjoyed; it was largely due to the political, economic and social state of the country which almost ensured the growing popularity of a radical, left wing party dedicated to sweeping social reforms.

With the framework of the Anglo-Russian occupation removed, Iran's economic weakness and political instability had become alarmingly apparent. By this time there were in Iran three broad political groups, each with its own solution for the problems confronting the country. In the centre there was a 'moderate' group consisting of the Shah and the Imperial Court, probably most of the army officers, a majority, for the time being, of the Fifteenth Majlis (which, it will be remembered, had been largely 'packed' by members of Qavam Sultaneh's Democratic Party), most of the big landlords and merchants and the substantial elements of the country generally. The policy of this centre group, which remained precariously in power until it was overthrown from the right in 1951, was the economic reconstruction of the country within the framework of the existing, but slightly reformed, social system, by means of financial assistance derived from (a) loans and grants from the United States and (b) increased oil revenues from the A.I.O.C.

On the left of this centre group was the compact, well-organized Tudeh Party, with its mainly middle class leaders and organizers, which, while not openly advocating the communization of the country, did advocate drastic social reforms, such as the break-up of the big

agricultural estates and the nationalization of the country's industries, as a means of increasing production and so improving the general standard of living.

On the right there was a heterogeneous collection of groups and individuals, which varied in membership from time to time, but of which the nucleus was the 'opposition' nationalist group in the Majlis led by Dr. Mossadeq. Round this nucleus there gathered, to form what became known as the National Front, various fanatical religious bodies, of which the most important were Mullah Kashani's Mujaheddin Islam, and the even more fanatical Fedayan Islam, led by one Sayyid Safavi; a number of small, fascist-type parties of which the most important was the Toilers' Party led by Muzaffer Baghaie; the main body of Tehran University professors and students; the smaller merchants and business men who resented the competition of foreign firms and foreign ways; and, in general, all those elements who were, for one reason or another, dissatisfied with the *status quo* and the pro-Western policy of the governing 'centre' group, but who were repelled by the ideology and policies of the Tudeh Party. These right wing groups regarded the economic difficulties of the country as being due to the stranglehold on the country's economy exercised by foreign interests generally and by the A.I.O.C. particularly, and consequently considered that these economic difficulties could be solved or ameliorated by the expropriation and expulsion of powerful foreign interests. It is fairly clear that this view was founded less on economic theory than on emotion; they looked upon the expropriation and expulsion of foreign interests as a moral imperative and rationalized this into a belief that what they demanded emotionally would be beneficial economically. And so powerful was this moral imperative that they never troubled to analyze the economic consequences; the expulsion of foreign interests and the prevention of foreign interference was presented as an end in itself, and not as a means to economic salvation.

The right and the left wing met on common ground over the A.I.O.C. Both considered that it should be expropriated, the left wing on ideological and the right wing on emotional grounds. It was this common ground which was to destroy the precarious dominion of the centre and to lead, first, to a dictatorship of the right and, eventually, to a restoration of the centre as the result of internecine quarrels between left and right. Meanwhile, the centre, with which the Shah was becoming more and more closely identified, was endeavouring to maintain and to

consolidate its position against the encroachments of right and left by endeavouring (a) to plan the national economy, (b) to obtain financial assistance in the form of loans and grants from the U.S.A., (c) to improve the terms of the 1933 A.I.O.C. oil concession in accordance with the Majlis' resolution to that effect, and (d) to strengthen the executive power of the government under the Constitution.

During 1947 the government had decided to launch an ambitious Seven Year Development Plan, and had engaged the Morrison-Knudsen Company of the U.S.A. to make surveys and draw up recommendations. In 1948, on the basis of these surveys and recommendations, the Plan Organization was formed; in February 1949 its formation was ratified by the Majlis which, in July 1949, authorized its first budget. At the beginning of 1949 an American group, Overseas Consultants Inc. (O.C.I.) were engaged to advise on the implementation of the Plan. It is probable that the Iranian government considered that the use of American advisers would facilitate the provision of the U.S. government loans. But the Plan did not really get under way, partly because of disputes between Iranian government officials and O.C.I., but mainly because of lack of money. The original Plan, as approved by the Majlis, had envisaged the expenditure of sums up to 650 million dollars on various forms of development, but money on this scale was simply not available unless forthcoming either from U.S. loans or from an increase in oil revenues.

A special development budget, financed mainly from the oil revenues, of which first 70 per cent and, later, 100 per cent was to be allocated to this budget, was prepared in 1949 and estimated to produce some 40 million dollars. But the success of the Plan and the continued precarious dominance of the 'centre' depended on supplies of additional money from outside. Requests for American aid had been disappointing. In spite of a fund-raising visit by the Shah in the autumn of 1949 virtually no such aid was obtained except for the limited military assistance which has already been described. The U.S. government at that time had been disagreeably impressed by the way in which its loans and grants had been dissipated in Kuomintang China as a result of the widespread corruption prevailing there and were, as a result, disposed to demand an impossibly high standard of administrative rectitude and efficiency from Iran as a condition of financial assistance. All that was forthcoming was the offer of a loan of 25 million dollars from the Import and Export Bank and the inauguration of a Point Four

programme in late 1950. At about this time the Iranian government, in despair, actually negotiated a 20 million dollar barter deal with the Russians.

Prospects of increased income from the A.I.O.C. appeared to be more promising. At the beginning of 1948, in accordance with the Majlis' resolution at the end of 1947, negotiations were opened with the A.I.O.C. for a revision of the 1933 agreement. In July 1949, as a result of these negotiations, the Iranian government and an A.I.O.C. delegation arrived at an agreement which became variously known as the Gass-Golshayan or the supplemental agreement. This agreement provided:

- (a) for an increase in the rate of royalty from four shillings to six shillings a ton;

- (b) for a payment of one shilling, instead of ninepence, per ton in lieu of Iranian taxation;

- (c) for a guaranteed annual payment of £4 million in respect of A.I.O.C. dividend payments and transfers to general reserve;

- (d) for the immediate payment of £5 million in respect of amounts standing to the credit of the general reserve at the end of 1947;

- (e) for additional royalties amounting to some £9 million for each of the years 1948 and 1949 representing the difference between royalties as calculated under the 1933 and the supplemental agreements.

The implementation of this agreement would have led to an immediate and substantial increase in oil revenues. But it was never implemented. At the end of July, when it was debated in the Majlis, it was rejected amid anti-British demonstrations organized by extreme nationalists and fanatical religious leaders.

By this time, the Mossadeq nationalists and the religious establishment which, in accordance with the prevalent trend in Islam at that time, was becoming much more fanatical and xenophobic, finding themselves unable to obtain a majority for their views in the Majlis, were perfecting the technique (copied, possibly, from the Tudeh Party) of terrorizing the Majlis by organized demonstrations and intimidation. This technique was employed on the occasion of the debate on the supplemental agreement and was frequently to be used thereafter in support of what, at that time, had become the principal, if not the only,

plank in the right wing platform—the expropriation of the A.I.O.C. and the elimination of Western influence from Iran.

Meanwhile, the Shah and the ‘centre’ group generally, realizing the mounting pressures to which the Fifteenth, and subsequent, Majlises would inevitably become subjected owing to intimidation both from the right and from the left, were considering ways and means of increasing the powers of the executive; such an increase, in this context, meant increasing the power of the Throne. In February 1949 these plans were unintentionally facilitated by an assassin who made an unsuccessful attempt on the Shah’s life. This attempt caused a temporary popular reaction against both extremist groups and in favour of the Shah and the ‘moderates’. The crime was officially attributed to a member of the Tudeh Party (although it was actually committed by a journalist who was under the influence of one of the right wing religious groups) and, as a result, the Tudeh Party was formally banned and many of its leaders arrested. Many members of the more fanatical religious associations were also arrested, and Kashani, one of the most influential of the religious leaders, who was, until they quarrelled, to become one of Mossadeq’s principal supporters, was sent into exile (from which he returned in 1950 in time to be elected to the Sixteenth Majlis). The reaction from the assassination attempt also facilitated an agreement by the Majlis, in April 1949, to the calling of a Constituent Assembly which, on the Shah’s initiative, provided for two important amendments to the 1906 Constitution:

(a) an Upper House, or Senate, was created consisting of 60 members, half of which were nominated by the Shah and half of which were elected by two-stage elections;

(b) the Shah was given the power of dissolving parliament, i.e., the Senate and Majlis at any time. (Previously there was no provision for the dissolution of the Majlis until it had served its full legal term, which legal term could be extended by a resolution of the Majlis itself.)

These amendments clearly increased the power of the executive *vis-à-vis* that of the Majlis and, in the circumstances then obtaining, *vis-à-vis* that of the two opposition groups, but the tide of xenophobia was already running too strongly to be checked by this hastily-erected break-water.

After a winter of discontent during which the Shah and the govern-

ment had tried repeatedly and in vain to extract some financial assistance from the U.S.A. in order to finance the Development Plan and in order to enable them to show some tangible benefits from the pro-Western policy which was becoming increasingly, and literally, under fire from their domestic opponents, the Prime Minister, Ali Mansour, in the Spring of 1950, tried unsuccessfully both to get the Majlis to ratify and the A.I.O.C. to improve the terms of the supplemental agreement. In May, the Fifteenth Majlis completed its term, and in July the newly-elected Sixteenth Majlis, rather more extremely nationalist in its complexion than its predecessor, met for the first time. On the Shah's nomination, and with the approval of the new Majlis, General Razmara, generally regarded as a strong man, became Prime Minister.

One of the first acts of the new Majlis was to appoint a commission of its members to study and to make recommendations about the ratification or rejection of the supplemental agreement. The nature of the commission's recommendations was almost a foregone conclusion. For the right wing opposition, the various groups of which were beginning to coalesce into what became known as the National Front, were now agitating for the 'nationalization'—by which was meant the expropriation—of Anglo-Iranian, and the rejection of the supplemental agreement was clearly a necessary preliminary to, and a convenient pretext for, this. The National Front leaders were not, in fact, interested in the content of the supplemental agreement. No conceivable improvement in the terms of the supplemental agreement would, in any degree, have mitigated their hostility to it. For, while the government wanted to improve the terms of the supplemental agreement, both in order to help finance the Seven Year Plan and in order to assist them to commend it to the Majlis (by this time an almost hopeless task owing to the intimidatory tactics of the opposition), the National Front wanted to throw the British out, and no agreement, however financially advantageous, would have diverted them from this determination. The left wing opposition, the Tudeh Party, driven underground the previous February but still operating efficiently, bided its time; the National Front appeared to be doing its work for them and everything seemed to be going its way.

In November the Majlis oil commission, as expected, reported against ratification of the supplemental agreement on the ground that it did not adequately guarantee Iranian rights and interests. In January 1951 the Majlis accepted this recommendation and asked the commission to

make recommendations within two months as to what course the government should take *vis-à-vis* Anglo-Iranian.

Dr. Mossadeq had already, in November, proposed to the commission, which consisted of 16 members of whom four were Dr. Mossadeq's supporters, that they should recommend the nationalization of the A.I.O.C. as being the best means of securing funds for the financing of the Seven Year Development Plan. The commission had rejected this proposal at the time. When the matter was referred back to the commission after the Majlis debate in January, Mossadeq and his supporters organized countrywide demonstrations in support of nationalization. The pressure was working up. There was no question of discussing nationalization on its merits, nor was there any serious belief in the minds of Mossadeq and his supporters that nationalization would make any relevant contribution to Iran's economic difficulties. They were not thinking in economic terms. Mossadeq had chosen oil nationalization, with all its emotional overtones which could be relied upon to recruit wide popular support, as a means of getting himself into power.

On March 3, the Prime Minister, Razmara, appealed to the commission to consider the question of oil nationalization on its economic merits. On March 7, he was murdered in a mosque by a member of the Fedayan Islam, whose newspaper promptly, openly and with impunity, boasted of their responsibility for the crime. On March 8 the oil commission reversed their previous recommendation, voted unanimously in favour of oil nationalization, and requested the Majlis to pass the necessary legislation. The commission had been convinced by powerful arguments. The Majlis lost no time; on March 15, they voted unanimously for the nationalization of the oil industry in a bill which read simply:

'For the happiness and prosperity of the Iranian nation and for the purpose of securing world peace, it is hereby resolved that the oil industry throughout all parts of the country without exception be nationalized, that is to say, all operations of exploration, extraction and exploitation shall be carried out by the government.'

The Senate, also unanimously, passed the same bill on March 20.

At the end of April a more detailed bill was passed by both Houses 'for the purpose of regulating the execution of the law of March 20 which

nationalized the oil industry'. The new law provided for the creation of a board, consisting of five senators, five Majlis deputies, the Minister of Finance or his deputy, and one other to be nominated by the government, whose task would be 'to remove the former A.I.O.C. from control of the oil industry and to take over control in the name of the Iranian nation'. The law also provided for:

(a) the setting up of a National Iranian Oil Company to run the nationalized industry.

(b) the right of the Iranian government to 'the entire earnings derived from oil and from oil products' as from March 20, 1951.

(c) the setting aside of 25 per cent of these earnings for eventual compensation to the 'former A.I.O.C.'.

(d) the guaranteed sale of Iranian oil to the 'usual overseas purchasers' at 'current prices'.

These acts of nationalization were accompanied by continual and countrywide demonstrations by the two religious groups—the relatively respectable Mujaheddin Islam and the frankly murderous Fedayan Islam—on the one hand and, on the other, by the Tudeh Party which, at the end of March, organized a general strike in the oilfields.

On April 27 Husain Ala, who had become Prime Minister after Razmara's assassination, resigned, and the Majlis and Senate, by this time thoroughly terrorized, voted for Mossadeq as Premier; the Shah, in the prevailing atmosphere, had no choice but to accede. (The Iranian custom, although not expressly provided for in the Constitution, is for parliament to indicate by vote its choice for the premiership and for the Shah to appoint whoever is so chosen by parliament; usually, but not in this case, the Shah presents one or more nominations to parliament.) Thus Dr. Mohamed Mossadeq, at the ripe age of 73, found himself at the helm for the first time and under the necessity of riding through the storm which he himself had done so much to provoke and which was, in the end, to destroy him.

On May Day the Tudeh Party organized a 30,000-strong demonstration in Tehran, carrying pro-Russian banners and denouncing Mossadeq in much the same terms as previous Prime Ministers had been denounced by the Tudeh. On May 8 it sent an open letter to Mossadeq, demanding the legalization of the Party, the recognition of communist China, the rejection of foreign aid, the expulsion of the U.S.

military missions, the release of political prisoners, and the end of martial law in the oilfields (where it had been imposed as a result of the Tudeh-inspired strike). They also, together with the National Front deputies, demanded the nationalization of the oilfields of Bahrain, over which Iran had, for some years, claimed sovereignty.

The Fedayan Islam, having, in the previous few weeks, murdered a Prime Minister and the vice-chancellor of Tehran University, and having attempted to murder the military governor of Tehran, now became quite incoherent with bloodlust. They denounced the National Front deputies, Kashani and the Mujaheddin Islam, the Tudeh Party and Mohamed Mossadeq as traitors, and appear to have threatened to murder Mossadeq who, whether out of genuine apprehension or from a desire to give the situation time to cool down, took sanctuary for some weeks in the Majlis building while the police and army belatedly restored some sort of order, arresting, *inter alia*, some of the more blatantly self-confessed murderers and would-be murderers of the Fedayan Islam.

Meanwhile, in an atmosphere which was slowly becoming less hysterical, the business of nationalization, and the protests it called forth from the British government and the A.I.O.C., were proceeding. On May 8, the A.I.O.C., having protested against the act of nationalization, demanded that the dispute be submitted to arbitration. On May 20, the Iranian government rejected this demand. The British government, after a series of protest notes, appealed, at the end of May, to the International Court of Justice at The Hague to adjudicate on the legality of the act of nationalization. During the course of the summer there were various unsuccessful attempts at negotiation between the Iranian government on the one hand, and the British government and the A.I.O.C. on the other, in which the British parties, while accepting the act of nationalization, endeavoured to arrive at a *modus vivendi* which would provide for continued effective control by the Company and for compensation to be determined by a neutral tribunal. The Iranian government, while prepared to continue employing Anglo-Iranian's British staff on the same terms as they had received before, refused to leave the control of oil operations in the hands of the Company and insisted on the question of compensation being decided in the Iranian courts. Meanwhile, physical control of the oil operation was gradually being assumed by the oil board which had been set up and the final break came in September when the oil board insisted on tanker captains' signing

receipts acknowledging the oil taken on board to be the property of the newly-formed National Iranian Oil Company. The tanker captains, by arrangement with Anglo-Iranian, refused and pumped the oil back into the shore tanks. Oil exports came to a standstill and, in consequence, as the storage tanks gradually filled up, production ceased. By the end of September all British staff of the Company had left Iran and the Iranian government were left in possession of the oil installations. But, without tankers, customers, or overseas marketing arrangements, they could make no profitable use of them except to supply Iran with its domestic requirements of oil.

At the end of September, the British government appealed to the Security Council of the United Nations. But the British were really relying, neither on the Security Council nor on the International Court, but on the application of economic sanctions. Iran's sterling balances in London were frozen and export licences on goods for Iran rescinded. The A.I.O.C. warned prospective customers for Iranian oil that, in the words of Sir Hartley Shawcross, the lawyer representing the Company's interests, 'whoever bought Iranian oil, bought a lawsuit with it'. This prospect effectually deterred almost all buyers.

On the domestic political front, Mossadeq appeared to be carrying all before him. As things began to calm down in the autumn of 1951 a certain amount of opposition to Mossadeq began to develop in the Majlis—on account not of oil nationalization but of Mossadeq's acts of intimidation towards his domestic opponents. But Mossadeq, stimulated by, and lionized as a result of, a successful personal appearance before the Security Council in November 1951 (when the Security Council, to Iran's advantage this time, merely called upon both parties to resume direct negotiations), successfully induced the Shah (in December 1951) to use his newly-acquired powers under the Constitution (which had been intended to serve very different purposes) to dissolve the Majlis and Senate.

In January 1952, Mossadeq, who was probably too frightened of his extremist supporters to dare, even if he had wished, to seek any accommodation with the British, ordered the closing of all British consulates (which, according to Iranian nationalist mythology, were hotbeds of British espionage) throughout Iran. (Diplomatic relations between Britain and Iran were not severed until October 1952.)

It appeared that the elections to the Seventeenth Majlis might not result in a clear pro-Mossadeq majority. Therefore, in June 1952,

when only 81 results out of 136 had come in, giving Mossadeq a small majority of the seats so far contested, Mossadeq caused the Shah (who, for the time being, had become the impotent prisoner of the Prime Minister) to suspend further elections and to convene the Majlis as a 'rump' of 81 members. But, in spite of this precaution, the new attenuated Majlis started by defying Mossadeq in electing as its Speaker Dr. Jamil Emami, who had been the leader of the opposition to Mossadeq in the previous Majlis. Voting its choice for Prime Minister in accordance with custom, they chose Mossadeq, but only by 52 out of 81 votes, while in the Senate his majority was even slimmer, most of the senators either absenting themselves or abstaining. Shortly afterwards, the Majlis refused to grant Mossadeq the six-months' emergency powers which he had requested to deal with the now menacing economic situation. At the same time Mossadeq quarrelled with the Shah over his attempted insistence on himself nominating the Minister of War in his government, an appointment which, by custom, was the prerogative of the Shah.

As a result of this unexpected intransigence, both from the Shah and from the Majlis, Mossadeq, on July 16, resigned office and, as a preliminary to resuming it, reverted to his old tactic of organizing popular demonstrations with the assistance of his clerical friends for the purpose of intimidating his domestic opponents.

Qavam Sultaneh, *l'homme des mauvaises heures*, succeeded Mossadeq as Prime Minister and was immediately assailed with hostile demonstrations organized by Mossadeq and by Kashani's Mujaheddin who, emulating the verbal, if not the physical, violence of their brethren of the Fedayan, threatened to declare a 'holy war' against Sultaneh in view of his expressed intention of trying to negotiate a solution of the oil dispute. In view of the threatened violence, Sultaneh, on July 21, requested from the Majlis the grant of those emergency powers which, a month before, they had refused to Mossadeq. They also refused them to Sultaneh who thereupon resigned. It so happened that, on this same day, the International Court decided that it had no jurisdiction in the dispute between the Iranian government and Anglo-Iranian. This decision, which could be regarded as a victory for Mossadeq, together with the intimidatory pressure of the almost continuous pro-Mossadeq demonstrations, induced the Majlis 'rump' to vote Mossadeq overwhelmingly back into the premiership and (on August 3) to grant him for six months those emergency powers which he, and Sultaneh, had

previously sought in vain. The Senate confirmed this grant and the Majlis, in an access of subservience, then acquiesced in the exile of their Speaker, Jamil Emami, elected Mossadeq's principal ally, Kashani, as Speaker in his place, and voted a pardon for Razmara's assassin.

Mossadeq was now a virtual dictator. He himself took over the Ministry of War, and instituted a drastic purge of the army. He sent the Shah's sister, Princess Ashraf, and his brother, Ali Reza, into exile, together with several members of the Court. He made one of his principal associates, Husein Fatemi, Foreign Minister, and started a purge of the diplomatic service.

During the first few months of Mossadeq's first premiership, the attitude of the United States government had been by no means unfavourable towards him. This was due partly to that anglophobia which still, at that time, deeply influenced American policy in the Middle East, and partly to a genuine American fear lest Mossadeq, if not sustained in power, might be succeeded by a communist regime. The result was that the Mossadeq government, at first, received much more favourable treatment from the U.S. government than its predecessors had done. In January 1952, in spite of Mossadeq's refusal to accept any form of American supervision of, or control over, the expenditure of the money, a grant of 24 million dollars was made to Iran under the Mutual Security Act, and the previous American military assistance to Iran, in the form of military equipment, was continued unabated. However, as a result of British diplomatic representations to the U.S. government, this benevolent American attitude towards Mossadeq was gradually modified and, in March 1952, a request which Mossadeq had made to the U.S. for a loan of 120 million dollars was turned down on the ground that the Iranian government had the opportunity to get 'adequate' revenues from their oil resources.

In August 1952 the American and British governments, who now seemed to have reached an accord on a common policy to be pursued towards Iran (a circumstance which really marked the beginning of the end for Mossadeq) made the first of a series of joint proposals to Mossadeq for the settlement of the oil dispute. This proposal was brusquely rejected by Mossadeq who made a counter-proposal to submit the question of compensation (to be confined to the value of physical assets and to exclude any element of compensation for the cancellation of the concession) to a neutral tribunal, provided that the A.I.O.C. made an immediate payment to Iran of a sum of 49 million

pounds sterling alleged by Mossadeq to be owing to Iran by the Company. This counter-proposal was rejected by the British government, as was an amended counter-proposal by which Mossadeq agreed to receive an A.I.O.C. delegation for negotiation provided that a sum of 20 million out of the 49 million sterling claimed was paid to Iran before the arrival of the delegation in Iran. After the rejection of this second counter-proposal, the Iranian government, alleging that they had discovered a plot concocted in the interests of 'a certain foreign embassy' to overthrow the existing regime in Iran, broke off diplomatic relations with Britain on October 16, 1952.

During the winter of 1952-53 there were some further abortive Anglo-American attempts to bring Mossadeq to negotiation on the oil question. Eventually, in July 1953, President Eisenhower, in a personal message to Mossadeq, in reply to an urgent request for American aid, made it clear that, so long as Iran could have access to funds derived from the sale of its oil and oil products, and declined such access by a refusal to come to such an agreement regarding compensation and other matters as the U.S. government considered reasonable, there could be no question of allocating American funds in order to enable the Iranian government to sustain such a refusal.

Meanwhile Mossadeq, facing increasing domestic opposition, and relying more and more on the support which he was confident of receiving from the mobs of Tehran and the larger provincial cities, was meeting this opposition with his usual high-handedness. After persuading the Majlis to vote for the suspension of the Senate, which had been showing disquieting signs of incipient independence, Mossadeq, in January 1953, obtained from the Majlis a further six months' extension of the six months' emergency powers granted to him the previous July. He then proceeded to dissolve the Supreme Court and, after a quarrel with his former ally Kashani, Speaker of the Majlis, over a proposal to set up a Majlis commission to consider various proposed amendments to the Constitution which would in effect transfer ultimate authority from the Crown to the Prime Minister, instituted a referendum in which the people were to be asked direct whether or not they wished the Majlis to be dissolved. The referendum, held in August, was conducted by Mossadeq's usual intimidatory methods and resulted, as Mossadeq had intended, in a large majority for the dissolution of the Majlis.

But by this time Mossadeq's National Front was in process of dissolution. He had quarrelled with Kashani and the Mujaheddin. Muzaffer

Baghaie and the Toilers' Party had broken with the National Front. These right wing leaders, together with many other of Mossadeq's previous right wing supporters, as well as a great many army officers, were becoming alarmed at what they regarded as his increasing reliance on and increasing complaisance towards the Tudeh Party. United as they had been over the question of oil nationalization, right and left wing groups found themselves at odds over various domestic problems and particularly over the question of land reform. It was felt by the right wing groups that Mossadeq, in his attitude towards land reform and towards social questions generally, was being increasingly influenced by his desire to receive the continued support of the Tudeh Party. These groups began to feel, rather belatedly, that the rabble-rousing at which they had connived, and at which Mossadeq had proved so adept, would end by playing into the hands of the Tudeh. The referendum over the dissolution of the Majlis was seen as an appeal by Mossadeq to the people over the heads of the National Front. Its very success rallied his opponents and frightened his more moderate supporters. A group of Majlis deputies declared the referendum illegal and took possession of the Majlis building. The Shah, heartened by the gathering opposition to Mossadeq, and in close touch with elements in the army loyal to himself, dismissed Mossadeq and appointed General Fazlollah Zahedi, an ex-Minister of the Interior, as Prime Minister. Mossadeq refused to accept dismissal and, as a last forlorn gesture, called upon the Tehran mob to rise in his support. The Shah left the country and, by doing so, very nearly lost his throne. For some days the issue was in doubt. Mossadeq and the Tudeh had their supporters in the army, and the outcome, which was between a republic with Mossadeq as president and a restoration of the Shah, was by no means a foregone conclusion. In the event the army rallied to General Zahedi, who marched into Tehran with troops and tanks, restored order, proclaimed a state of martial law, arrested Mossadeq, and invited the Shah to return to his throne.

The basic cause of Mossadeq's failure was not the economic hardship which had been inflicted on the country as a result of the oil nationalization policy and the cessation of oil revenues. The economic effect of this was less than was commonly believed in the West and there was at this time not very much demand in Iran, even among the so-called 'moderates', for a settlement of the oil issue. What caused Mossadeq's fall was first the resentment caused by his intimidatory and high-handed methods and secondly the lack of any positive content in his policies.

Once he had, as Mossadeq and his supporters saw it, liberated Iran from the clutches of British imperialism, he had no ideas about the path on which he wanted Iran to tread and, after the expulsion of the A.I.O.C., his policy consisted of a number of uncoordinated expedients designed to keep himself in power and to delay the onset of the economic embarrassments which he himself had created. In order to obtain power, and in order to sustain himself in power, he had called to his aid various disparate forces and enthusiasms ranging from obscurantist religious fanaticism to marxist communism—which, being neither loyal to himself nor congruent with each other, he was unable to use, either as an instrument of national regeneration or as a means of consolidating his own authority. Today he appears simply to have been the unconscious servant of that historical process which was substituting the United States of America for Great Britain as the paramount Power in the oil-producing regions of the Middle East.

VII

THE WESTERN ALLIANCE

It soon became clear that the regime which followed the fall of Mossadeq was determined to follow a policy of economic development at home and alliance with the West abroad, with the foreign policy as a corollary of the domestic policy in that the economic development was dependent both on a settlement of the oil dispute and on the receipt of loans and grants from the U.S.A. It was also apparent that this policy would be more resolutely pursued at home and more sympathetically supported abroad than had been the case with the pre-Mossadeq governments. At home the Shah, a man now in the prime of life, and with 12 years of mostly bitter political experience behind him, was determined never again to suffer the humiliations to which he had been subjected by Mossadeq and was resolved henceforward to rule as well as to reign, making use of such authoritarian methods as might be necessary in order to enable him to do so.

There was little or no active and overt opposition to the new government. The National Front, deprived of the support of its leader, who was sentenced to three years' imprisonment on a charge of having refused to obey a Royal Firman (decree), abandoned by the religious establishment, which thought it prudent to make their peace with the new regime, and deserted by most of the right wing groups which had gathered around it, ceased to be a coherent entity and, when it began to reform under the name of the National Resistance Movement, had shed most of its right wing support, and had been transformed into a left wing group. There was in fact some truth in the allegations of its opponents that it had become a quasi-legal, semi-respectable 'front' for the Tudeh Party.

In January 1954 elections to the Eighteenth Majlis were started. The elections were strictly controlled and the candidates carefully 'vetted' by

the authorities. The result was a Majlis which could be relied upon to be adequately subservient to the government's wishes.

After Mossadeq's fall the Tudeh Party went underground once more and indulged in one of those 'agonizing reappraisals' characteristic of communist parties after a political defeat. In September 1954 the security forces found evidence of extensive Tudeh penetration of the armed forces. There was a drastic purge, a number of officers were executed and, at the instance of the government, parliament passed legislation penalizing members of organizations which were 'collectivist in nature' (thus in effect making trade unions illegal), which were against the Moslem religion, or which attacked the constitutional monarchy. The government was determined to arm itself against the possibility of organized, extra-parliamentary opposition, and the Shah, in particular, was resolved to make of the army a praetorian guard for the defence both of the dynasty and of the regime with which he was becoming increasingly identified.

The success of this 'centre' regime depended, as it had depended between 1948 and 1951, on the success or otherwise of the policy of economic development and social reform to which, on paper, it was committed. Prospects of the financial resources necessary for carrying out this policy were much brighter than they had been before the Mossadeq era. In the first place, the Americans had been thoroughly frightened at what they regarded as Iran's dangerous lurch towards communism and were prepared to show financial generosity to a regime which they knew to be staunchly anti-communist, which they believed to be prepared to make an honest endeavour towards economic development, administrative efficiency and social reform, and which did not have too many nationalist inhibitions against acceptance of foreign advice and foreign supervision in the application of foreign aid. In the second place the prospects of oil revenue, once the oil dispute had been settled, had become greatly enhanced; there was little doubt that any new agreement arrived at would be on the 50/50 profit-sharing basis to which all the Middle Eastern oil concessions had by that time been converted. This meant that Iran could expect revenue in convertible foreign currency of the order of £2 sterling for every ton of oil exported as compared with the 10 shillings per ton approximately which they had previously been receiving.

There seemed a fair chance that oil revenue plus American aid would provide sufficient finance for a really impressive programme of economic

development and social reform. (The first Seven Year Development Plan, although still technically in being, had foundered owing to lack of funds.) It was calculated that the results of such a programme, in terms of higher living standards and increased material prosperity, would justify the authoritarian nature and pro-Western tendency of the regime and inoculate the people against threats of communism from the left and xenophobic nationalism from the right.

The new regime in Iran was, in fact, faced with the same test, the same opportunities and the same dangers as were contemporaneously being faced by the Hashemite regime in Iraq, with the difference that the nationalist and neutralist forces with which the regime in Iran had to contend were nothing like so dynamic nor so dangerous as the Nasserite Arab nationalism which was already beginning to press so hardly on the Hashemite regime in Baghdad. In Iran the most likely alternative to the existing regime was not—as in Iraq—a more or less coherent neutralist and nationalist regime, hostile to the West but able to maintain itself against communist attempts at penetration, but chaos leading probably to communism. In the eyes of the Western Powers Mossadeq had already exhausted the possibilities of coherent neutralism. Consequently, the urgency of sustaining the 'centre' regime in Iran was fairly fully appreciated both in Washington and in London. To that extent therefore the regime was fairly well placed.

It had other advantages too at the outset of what was to become one of the many examples of an attempt, by an undeveloped country, with the assistance of Western aid, to build up a viable 'free' economy and a stable 'democratic' political and social order in the face of communist infiltration and xenophobic obscurantism. Apart from the prospect of generous American aid and increasing oil revenues, and apart from the absence of any very formidable non-communist domestic opposition, there were the following items on the credit side of the regime's balance-sheet of survival:

1. Mainly as a result of the West's strong and ultimately successful reactions, first to the attempted Russian blockade of West Berlin and then to the attempted communist invasion of South Korea, the 'cold war' situation between Russia and the West had arrived at a state of balance which made a physical Russian invasion of Iran extremely unlikely except as the result of the prior establishment of a communist or near-communist regime in Iran. Russian pressure was therefore likely to be confined to attempted subversion and to propaganda whose effect was

likely to be inversely proportional to the success of the regime in carrying out its declared policies.

2. The regime in Iran, unlike the regimes in, for example, Egypt and India and China, was not faced with the almost intractable social and economic problems arising from land-hunger, overpopulation and a high incidence of debilitating endemic diseases. Iran is a large and sparsely populated country with a mostly healthy climate and with a reasonably good expectation, given sound management, of being able to feed itself, at an adequate standard, mainly from its own resources. Intensive economic development is a condition of improving, not merely of maintaining, a low standard of living. It is not necessary, as in Looking-Glass Land, or as in Egypt and India and China, to run very fast in order to stand still.

3. Iran, unlike India or Iraq or Indonesia, is not distracted by any serious problems arising from the existence of powerful religious or racial minorities within its borders. Although there are racial and religious minorities in Iran as there are everywhere else—Turcomans, Kurds, Armenians, Arabs, Zoroastrians, Baha'is—they are neither so numerous, so unassimilated, nor so discontented as to present any serious political problem, except in so far as separatist propaganda is directed to, e.g., the Kurds or the Turcomans, from outside.

On the other hand there were some debit items in the regime's balance sheet of survival:

1. The system of land tenure in most of Iran's cultivable area was one of very large, mostly reactionary and mainly absentee landlords who, for the most part, devoted very little attention or money to improving their land, and who were able, by reason of their political influence, to impose extremely oppressive conditions of tenure on their tenants. The unreformed land tenure in Iran was not only a potential source of agrarian discontent but was also a serious barrier to increased agricultural productivity.

2. The standards of administrative efficiency and of administrative integrity were still extremely low, even by Middle Eastern standards. Reza Shah's activities in this direction, considerable as they had been, had not had the same salutary effect as the influence of European administrators had had in India, Egypt, Indonesia, Iraq, Syria and other ex-colonial possessions. This inefficiency and this lack of integrity, when applied to the administration of the large sums of money which began to flow into official coffers from the oil revenues and from

American aid, were destined largely to nullify the beneficent effects of the development which they were supposed to finance, and seriously to jeopardize the continued existence of a regime whose survival was dependent on the realization of these beneficent effects.

Having made a preliminary survey of the ground, we shall now proceed to a brief account of the achievements of a regime which, by analogy with English history, may fittingly be called the Restoration in that it represented a return to the *status quo ante* a regime which had collapsed because it was not sufficiently reactionary for its right wing and not sufficiently revolutionary for its left wing supporters.

Immediately after Mossadeq's fall, the new government received a loan from the United States of 45 million dollars to tide them over pending a settlement of the oil dispute and a resumption of oil revenues. The first step towards this was taken in December 1953 when diplomatic relations with Britain were resumed.

Although the West was no longer urgently in need of Iranian oil, there was a general disposition, on the part both of governments and of oil companies in the U.S.A. and Britain, to promote Iranian stability by meeting the new Iranian government half way over the oil issue. On February 1, 1954, the A.I.O.C. announced that they were opening discussions with other major international oil companies having interests in the Middle East with a view to finding ways and means of once more getting Iranian oil onto world markets. At the same time the U.S. government announced that they would not put any anti-trust barriers in the way of American oil companies participating with other international oil companies in the formation of a Consortium for the exploitation of Iranian oil. In April an international oil Consortium was formally established and started to negotiate with the Iranian government for a new agreement covering the exploitation of the old Anglo-Iranian concession.*

Agreement between the Iranian government and the Consortium was reached in August; the agreement was ratified by the Majlis, with only

*The Consortium consisted of the following oil companies, with their respective shareholdings: Anglo-Iranian Oil Company, renamed British Petroleum Company in December 1954, 40 per cent. Royal Dutch-Shell Group, 14 per cent. Cie Française des Pétroles, 6 per cent. Standard Oil of New Jersey, Standard Oil of California, Gulf Oil Corporation, Texas Oil Company, Socony-Mobil Inc. 8 per cent each. The five major U.S. shareholders later each gave up 1 per cent of their shareholding to a 'consortium within a consortium' consisting of a number of 'independent' American oil companies who thus acquired a collective share of 5 per cent.

five dissentients, in October, and, after ratification by the Senate and the Royal assent, came into force on October 28, 1954.

The terms of the agreement were in line with various offers which had been made to, and refused by, Mossadeq after the act of nationalization. The fact of nationalization was recognized and the new concession, which was for 40 years, subject to progressive relinquishments of area after the twenty-fifth year, took the form of a lease granted to the consortium by the National Iranian Oil Company of assets in what was known as the agreement area (an area of about 100,000 sq. miles in southern Iran covering most of the concession area awarded to the A.I.O.C. under the 1933 agreement) for the exploitation of the oil resources of that area. The concession was to be operated on behalf of the consortium by two operating companies—an exploration and producing company, and a refining company—whose head offices were to be in Iran and who were to be entirely responsible for day-to-day management, with the consortium members providing capital in proportion to their shareholding and also technical advice and technical staff. What were termed ‘non-basic functions’, such as housing, medical services, etc., were to be provided and managed by the N.I.O.C. according to the requirements, and at the expense, of the operating companies. The shareholders in the consortium were to receive the oil produced (less Iran’s domestic requirements) in proportion to their shareholdings and were responsible for marketing it at f.o.b. prices fixed by themselves. The Iranian government was to receive 50 per cent of the net profits of all oil sold for export, calculated on the basis of the f.o.b. prices ‘posted’ by the consortium members. Although, in the agreement, some regard had to be paid to the fact of nationalization, decisions about the level of production and the selling price of the oil remained, as in the case of the other Persian Gulf oil agreements, firmly in the hands of the shareholders and the agreement did not differ fundamentally from the pattern which had been set elsewhere.

The agreement soon served its immediate purpose of putting Iranian oil back onto world markets and of putting money into the Iranian treasury. In 1955 the oil income accruing to Iran was over £30 million; by 1960 it was over £100 million.

The resumption of, and the expected progressive increase in, oil revenue, together with expectations of generous American aid, enabled plans to be made for economic developments under the second Seven Year Plan which was due to start in August 1955. Aboulhasan

Ebtehaj, Governor of the Bank Melli (National Bank of Iran), and an administrator and economist with an international reputation, was appointed as head of the Plan Organization in September 1954 and a sum of 700 million dollars provisionally allocated to expenditure under the Plan for the seven year period. (This was subsequently increased to a much larger figure, owing to the inroads of inflation on estimated costs, and eventually cut down again to a final figure of 1,160 million dollars).^{*} It was originally intended that the Plan should be financed by allocating to it the whole of the increasing oil revenue. But, in the event, a progressively larger proportion of the oil revenues was diverted to the general budget and the proportion of oil revenue devoted to Plan Organization was finally fixed at 55 per cent. This, and the increased cost of the original Plan due to inflation, made it necessary both to cut down on some of the original projects and to bridge the still existing financial gap with foreign loans.

The objectives of Plan Organization under the Plan were defined in the second Seven Year Development law approved by the Majlis in 1955. The purpose of the Plan, as stated in that law, was 'for increasing production, developing exports, agriculture and industries, discovering and exploiting mines and natural resources, improving and completing means of communication, improving public health, raising educational standards and living conditions'. Of the proposed expenditure under the Plan, approximately 26 per cent was allocated to agriculture, 33 per cent to communications and transport, 15 per cent to industry, and 26 per cent to social services.

The most spectacular, and the most criticized, form of expenditure was on the building of dams for irrigation and for power generation. These dams were criticized on the grounds of faulty planning, unnecessarily high cost and inadequate preparations in the way of land settlement in the potentially irrigated areas. It is not proposed here to discuss the Plan itself in detail, nor to attempt to assess the validity or otherwise of the various criticisms made about it. Mistakes were undoubtedly made; money was undoubtedly wasted. Much of the trouble rose from inexperience, on the part both of Iranian officials and of some of the foreign experts; some of it rose from corruption, on the part both of some Iranian officials and of some foreign contractors. Some of it arose from continual disputes between Plan Organization and the various

^{*}These and other statistics in this chapter are taken from the periodical economic bulletins issued by the Bank Melli Iran.

government ministries who had to co-operate with Plan Organization in carrying out the Plan. Government departments tended to take the view that Plan Organization's function was simply to hand over the money and let the department concerned get on with it. Plan Organization tended to think that government departments should act under the instructions of Plan Organization. In 1958 this dispute led to the resignation of Ebtehaj as head of Plan Organization and to his replacement by General Hedayat, a more pliable and a less efficient man. General Hedayat was replaced, in 1960, by Aramesh, an engineer who, in his turn, was replaced, in 1961, by another engineer, Asfia. Public confidence in Plan Organization was not enhanced by the tendency of each successive head of the Plan publicly to abuse his predecessors for inefficiency.

The volume of foreign currency coming into Iran during the years 1955 to 1959 inclusive was approximately as follows:

	<i>Dollars</i>
Oil revenue (incl. consortium local exps. financed by foreign currency imported by the consortium)	1,280 million
Foreign loans (less repayments)	218 million
U.S. and U.N. aid (excl. military aid)	136 million
TOTAL	1,634 million

(A large part of the 'aid' figure was derived from the 'Iran-U.S. Joint Fund', which supplemented, in a smaller, less ambitious, and often more efficient way the sometimes over-grandiose projects of Plan Organization)

This great influx of foreign exchange, apart from helping to finance the Plan, also gave a great stimulus to private investment, and undoubtedly made a great contribution to Iran's capital formation, and hence to her immediate productivity and ultimate prosperity. It has been estimated that during these five years a total equivalent of some 1,000 million dollars was devoted to private investment and that the rate of increase in Iran's gross national product was of the order of 6 per cent per annum.

But there was a serious debit side to this growing economic development. Apart from the inevitable growth of administrative corruption, the lack of any effective control of credit or of imports led to a serious

round of inflation which, unaccompanied by any organized trade union movement to see that the real rate of wages was maintained, had the effect of making the rich even richer and the poor (including junior government officials and others on small salaries) even poorer than before. Over the years 1955 to 1959 inclusive, the cost of living rose by about 40 per cent; this was nothing comparable to the war-time inflation, but quite enough to cause serious hardship, particularly because this inflation was concentrated on an increase in the price of locally produced goods. While the price of imports actually fell slightly during this period, the price of cereals rose by 78.5 per cent. The severe incidence of this on the poor is obvious.

The lack of any control on inessential imports or, more importantly, on the purchase of foreign currency for 'salting away' abroad (a practice largely indulged in by some of the principal beneficiaries of the boom) caused a severe fall in Iran's foreign exchange reserves (in spite of a temporary relief afforded by a revaluation of these reserves in 1957). This was one of the most important factors which precipitated a financial crisis in the autumn of 1960.

Politically, the regime, surrounded by an apparently loyal army, which was kept sweet by pay increases, promotions and favoured treatment generally, sustained by an efficient security service under military control, and unhampered either by serious domestic opposition or by organized industrial labour forces, was swept along on the current of this somewhat delusive prosperity. No serious attempt was made at social and administrative reforms. The Shah himself, more prescient than most of his richer subjects, continually preached the necessity for reforms and set a good practical example by continuing and accelerating the re-distribution of his own very considerable estates to his tenants. But his example was not followed and the Senate and Majlis, consisting mostly of big landlords or their nominees, represented an apparently insuperable barrier to any serious land reform legislation. (In May 1960 Parliament did pass a land reform law of a kind, after a series of amendments, mostly inserted by the Senate, which reduced it virtually to a nullity.)

In spite of, or perhaps because of, his failure to insist on any really radical reforms, the Shah, who was determined never again to be placed in a position subordinate to that of his Prime Minister, and whose position was immensely strengthened by the genuine reaction from republicanism which took place after the fall of Mossadeq, slowly but

surely established himself as the real chief executive, the fount of power as well as the fount of honour, the real as well as the formal conferrer of office, and the master of his ministers in fact as well as in name. From the time of General Zahedi's resignation, on the ground of ill-health, in April 1955, to the time of Sherif Emami's resignation from the premiership almost exactly six years later, on the ground of civil commotion, the Shah was, to all intents and purposes, the absolute ruler of the country. We shall now briefly trace the principal events of these six years.

General Zahedi was succeeded in the premiership by Husain Ala. Husain Ala, who had previously held many high appointments including that of Prime Minister (just before Mossadeq), Ambassador in Washington, and Minister of Court (a royal appointment whose holder was responsible for Court protocol and, more importantly, for liaison between the Court and the cabinet), was a staunch upholder of the royal prerogatives and a loyal personal supporter of the Shah.

In June 1955, relations with Russia, which had not noticeably deteriorated as a result of Mossadeq's fall and the renewal of friendly relationships between Iran and the West, were improved as a result of the Russian government's returning 11 tons of gold which they had removed from Iran during the wartime occupation. This improvement was short-lived. In October 1955 Iran underlined the Western orientation of her policy by adhering to the Baghdad Pact—a defensive alliance of Middle Eastern Powers consisting of Britain, Turkey, Iraq, Iran and Pakistan, with the United States lurking like a benevolent uncle in the background. The United States, while supporting the Pact and, later, joining several of its committees, did not become a full member of it, either then or later, mainly, it appears, in order not to annoy Gamal Abdul Nasser, who regarded it as an attempt to lure Arab states away from the neutralist Arab nationalism which he aspired to lead. Iran's adherence to the Pact provoked a renewal of Russian enmity, expressed mainly in the form of hostile propaganda broadcasts in Farsi which have continued, on and off, with more or less virulence, from that day to this. Although Iran's principal reason for joining the Pact was a desire for the insurance which it was held to provide against the possibility of serious Russian hostility, there is no doubt that two powerful secondary reasons were (a) the realization that a military commitment to the West was, in the eyes of the American government at that time, a necessary condition of any generous measure of U.S. financial assistance, and (b) a desire, especially on the part of the Shah, to increase

the emoluments, the establishment and the prestige of the armed forces as the result of the Western aid, in the form both of money and equipment which would accrue to the armed forces as a result of Iran's adherence to the Pact.

In January 1956 the Eighteenth Majlis and Second Senate completed their terms, and after uneventful elections the Nineteenth Majlis and Third Senate were convened in May. Their first act was to form themselves into a constituent assembly and, at the Shah's instance, to provide for an amendment to the Constitution by which parliament's term of life was increased from two to four years and by which the number of deputies in the Majlis was increased from 136 to 200 with provision for further increases *pari passu* with increases in the population. At the same time Husain Ala resigned as Prime Minister and was replaced by Manuchehr Eqbal, another royal nominee.

During the course of 1958 the Majlis ratified three oil agreements concluded by the government during the previous year. These agreements, although they had no immediate effect on Iran's foreign exchange earnings, were important in playing a pioneering part in the evolution of relationships between oil producing countries and concessionary companies in the Middle East area. The agreements, made respectively between the Iranian government and the Italian Agip Mineraria, the U.S. Pan-American Oil Company, and the Canadian Sapphire Oil Company (three comparatively small companies outside the 'club' of the eight 'majors') provided for the formation of local companies with 50 per cent N.I.O.C. and 50 per cent foreign shareholding for the exploitation of the concessions, for the payment of 50 per cent of net profits to the government and of half of the other 50 per cent of net profits to the N.I.O.C. as 50 per cent shareholders. It was further provided that the N.I.O.C. would only have to contribute their 50 per cent share of capital and operating expenses in the event of commercial oil's being discovered and the possibility of a net profit eventuating. The concessionary area in each case consisted of part of the 'continental shelf' area off the Iranian coast of the Persian Gulf (the Consortium concession only extended to the three-mile limit), plus (in the case of Agip Mineraria) a small slice of land south of Isfahan. The Canadian Sapphire agreement eventually lapsed because of the concessionary company's failure to start exploration within the stipulated period, but the other two agreements went according to plan and, in both cases, oil was struck and commercial production started during the course of 1962. The

N.I.O.C. also carried out exploration on their own account and, in 1957, discovered an oilfield near Qum, in central Iran. This oilfield has not yet been developed but there are plans for erecting an oil refinery in or near Tehran in order that this field can be developed for the supply of oil products to the markets of northern Iran.

The Nineteenth Majlis, on the Shah's insistence, also made two gestures (which proved totally ineffective) in the direction of anti-corruption and social reform. The first, in 1958, known as the 'Where Did You Get It From' law, provided for the declaration by government officials of the sources of their property. The second, in 1960, which has already been mentioned, was a land reform law which, like Mr. Selwyn Lloyd's capital gains tax in the 1962 British Budget, was an open invitation to evasion.

An attempt by the Shah to make some reality of parliamentary democracy by introducing a two-party system into the Majlis, so as to give some verisimilitude to the process of elections and provide governments both with reliable support and with vigilant opposition in the Majlis, met with no better success. In cynical obedience to the imperial wishes two parties were formed, the Melliyun (or Government) Party, of which the Prime Minister, Dr. Eqbal, assumed the leadership, and the Mardom (People's), or Opposition, Party which was led by Assadollah Alam, a nominee of the Shah. But neither party had any recognizable policy, nor was there any recognizable difference of principle between them. They were as alike, and as futile, as Tweedledum and Tweedledee.

At the beginning of 1960, as the time for elections drew near, monetary inflation, increasing corruption, and an instinctive feeling that the economic boom of the last four years was on the verge of breaking, led to the development of open, extra-parliamentary opposition to the government which was, perhaps, encouraged by the Shah's growing and barely concealed distaste for Dr. Eqbal's open incapacity combined with a sycophancy which seemed to have as its aim the attribution to the Shah, rather than to himself, of the blame for the government's shortcomings. After June 1, when the four year term of the Nineteenth Majlis ended, and campaigning for the elections began, this opposition, which was mainly concentrated in Tehran, became extremely vociferous.

The Tehran opposition consisted principally of a number of prominent personalities who became associated in a loosely-knit group known as the 'independents'. Among the prominent members of this

group was Dr. Ali Amini, a wealthy member of an old Iranian land-owning family which was related to the Qajars. Dr. Amini had been Minister of Finance at the time of the negotiation of the Consortium oil agreement and in this capacity had been responsible for conducting the negotiations on behalf of the Iranian government. Later, he had gone to Washington as Ambassador, from which post he had been somewhat summarily dismissed. Since then he had been an outspoken critic of the Eqbal government and a more discreet critic of the Shah himself. He and his associates in the 'independent' group concentrated their criticisms on the alleged 'rigging' of the elections by the government. In fact, Dr. Eqbal, after announcing that no opportunities would be given for the election of pro-Mossadeq or Tudeh Party candidates, seemed also determined to exclude independents as well and to have arranged a pact between the Melliyn and Mardom Parties by which each would win a predetermined number of Majlis seats, giving the Melliyn Party a majority in the Majlis.

As the results of the elections began to come in, expressions of dissatisfaction became more and more uninhibited until, towards the end of August, the Shah found it prudent to dissociate himself from the mounting unpopularity of Dr. Eqbal and the increasing scandal of the elections. At a press conference (at that time the Shah was in the habit of giving almost monthly press conferences) he expressed dissatisfaction with the conduct of the elections, and advised the deputies so far elected to resign in order to facilitate the holding of new elections. This amounted to a public expression of no confidence in Dr. Eqbal, who thereupon resigned, with his government. He was succeeded as Prime Minister by another royal nominee, Sherif Emami. The elected deputies, after some little persuasion, took the Shah's hint and resigned.

The new government appointed a committee to look into the electoral law and to draw up regulations for the more satisfactory conduct of new elections. Early in October it was announced that these would start in January 1961. But the area of popular discontent was now spreading beyond criticism of the conduct of elections. Gloomy announcements were made by the new Prime Minister about the financial condition of the country and the precarious state of the foreign exchange reserves. A stabilization programme was introduced under which (a) duties on a wide range of imports were substantially increased in order to discourage such imports; (b) credit control machinery was introduced giving

the Bank Melli, acting as a central bank, powers to limit drastically the volume of domestic credit; and (c) severe restrictions were placed on the purchase of foreign exchange. In fact, the government went through the motions of prescribing all the nasty and time-honoured medicines appropriate for a bout of inflation which had been brought on by too much domestic credit, too many inessential imports, too little control of foreign currency purchases and too little productive investment. But those who were adversely affected by the controls resented and tried, too often with success, to evade them, and those who believed them to be necessary and were not adversely affected by them, had no faith in the willingness or ability of the government to implement them. There was serious discontent among those members of the middle class who had been seriously affected by the inflation and who now saw inflation as a device by which people in authority had been enriched at their expense. The identification of the Shah with the governments of the past four years exposed him, and more particularly his immediate entourage, to a considerable share of the popular disapproval being directed at the regime in general.

In an attempt to provide a safety valve for this popular disapproval the date of the new elections was put forward and it was announced that the new Majlis would meet not later than the end of the current Iranian year, i.e., before March 20, 1961.

During the first weeks of 1961 the rising political tension was to some extent moderated by popular interest in the impending birth of a child to the Shah's new Queen, a beautiful Iranian commoner named Farah Diba whom he had married early in 1960.* The birth of a son, Reza, in February 1961 was a happy event which was welcomed far beyond the circle of the Shah's political supporters. (The Shah's involvement in the controversial and not entirely successful policies of the governments of the post-Mossadeq period had inevitably brought him into the arena of controversial politics.)

Meanwhile, the conduct of the elections, although considerably more discreet than that of the abortive elections of 1960, was being openly

*The Shah's first wife had been Fawzia, sister to King Faruq of Egypt, whom he had married in 1939, who had borne him a daughter Shahnaz—who subsequently married Ardeshir Zahedi, son of General Fazlollah Zahedi—and whom he subsequently divorced. His second wife had been Soraya Esfandiari, a Bakhtiari on her father's and a German on her mother's side, by whom he had no children and whom he divorced in 1958. From the dynastic point of view it was urgently necessary for him to have a son and heir and the first issue of his marriage with Farah was eagerly awaited.

and violently criticized. The two principal parties, the Melliyun and the Mardom, which had dominated the previous elections, had not recovered from the discredit earned during those elections and did not appear as coherent entities in the new Majlis, which consisted largely of independents, with one prominent National Front deputy—Allahyar Saleh from Kashan.

The new Majlis met amid circumstances of considerable turmoil. The National Front, revived by the spectacle of a Court and government in apparent disarray, denounced the elections, demanded the immediate dissolution of the new Majlis and a new round of 'free' elections under a 'neutral' government. The Majlis itself, determined not to be backward in its attacks on a clearly tottering government, vociferously denounced alleged corruption in Plan Organization, in the National Iranian Oil Company and in various government departments. Most serious of all, a number of strikes were threatened, and the school teachers of Tehran, led by Mohamed Darakhshesh, a member of the Tehran 'independents' group, actually came out on strike and demonstrated in front of the Majlis building demanding higher pay. During the course of the demonstration one of the teachers was shot dead by police. This brought the situation to the boil. The government's position had become untenable. The immediate choice seemed to be between a military *coup* engineered by the Shah himself and a concession to the gathering forces of the opposition. Momentarily, the Shah seems to have considered the possibility of a National Front government and had a long interview with Allahyar Saleh. Apparently they were unable to come to terms, and the next day the Shah sent for Ali Amini, one of the most prominent, and certainly the most able of the Tehran 'independents', and invited him to form a government. Dr. Amini appears to have made two conditions, which were granted: (a) that the Shah should dissolve Parliament, and (b) that the Shah should give Dr. Amini a public and unequivocal statement of his whole-hearted support. This second condition was necessary since the precarious circumstances demanded the appearance and reality of a united front between monarch and Prime Minister and since it was generally believed that relations between the Shah and Amini, both personal and political, had not been of the most cordial.

When Dr. Amini succeeded Sherif Emami in April 1961, it was freely stated that the survival of constitutional government in Iran depended on the willingness and ability of the new government effectively and speedily to implement drastic social and administrative reforms.

Politically, Dr. Amini was, for the time being, in a comparatively favourable position. His open opposition to the Eqbal and Emami governments made him reasonably acceptable to the National Front and to most of the other opposition elements (except the Tudeh). Unlike the three previous Prime Ministers, he came into office, not as the Shah's nominee but on his own terms, imposed by him on the Shah—a fact which was generally known and which greatly enhanced his prestige. The dissolution of the Majlis, which he had successfully insisted on, pleased the National Front (until they realized that he had no immediate intention of holding another lot of elections) and liberated him from the barracking and obstruction which otherwise he would have had to endure. Among his first acts was a settlement of the teachers' strike by awarding them an increase of pay and the appointment of their leader, Darakhshesh, as Minister of Education. He also appointed Hasan Arsenjani, a radical lawyer outspokenly committed to the cause of land reform, as Minister of Agriculture, and had two ex-ministers—Zargham, ex-Minister of Finance and Alavi Moqaddam, ex-Minister of the Interior—arrested on charges of corruption.* These actions, together with the promise of a vigorous anti-corruption drive, secured Amini's left flank for the time being. On his right flank his most immediate problem was the undisguised hostility of the army, which resented what they regarded as his rivalry with the Shah for the position of chief executive, and feared the results both of the anti-corruption drive and his believed intention of imposing economies on the army. Another potential danger from the right was the opposition of the landlords and the religious establishment which could be expected to develop in the event of any serious attempt at land reform.

The key to the political situation lay in the attainment of a *modus vivendi* between the Shah and Amini which would protect Amini from the army and from the right generally and so enable him to concentrate on, and to receive the support of the Court and the army for, that blend of repression and reform which would be necessary immediately in order to keep at bay and ultimately to conciliate the varied forces of discontent on the left, and so to prevent the exploitation of these forces either by the Tudeh or by some other subversive group.

The Shah was not in an enviable position. In terms of black and white, if Amini succeeded too well, he risked being relegated to the

*After being kept in prison for a year they were released without any charge having been made against them.

position of reigning without ruling—a role which it is far more difficult to accept and to get accepted in Iran than is generally realized in the West; if Amini failed he would run the risk of losing his throne as the result of internal insurrection.

Monarch and Prime Minister each needed the other; the problem for each was to sustain, while endeavouring to control, the other. The result of this uneasy relationship was a series of compromises.

At the outset of his term of office Amini appears to have been in favour of the resignation of Iran from CENTO (the new name for the Baghdad Pact after Iraq had defected from it as a result of the revolution of July 1958) and the reduction of army establishments as a means both of improving relations with Russia and of economizing on expenditure. In return for giving way on these points, Amini appears to have prevailed on the Shah (a) to share with the government the responsibility and odium consequent on the breach of the Constitution involved in not issuing a writ for new elections within a month of the dissolution of the previous Majlis and to face with the government the inevitable National Front reaction to this; (b) to issue such *Firman*s (imperial decrees) as were necessary in order to enable the government to pursue its programme of reform; and (c) not to connive at or to encourage the attempted sabotage of this reform programme by the army or by any other group.

Fortunately for Amini, the Shah was a more honest and a more intelligent monarch than, for example, either King Charles I of England or King Faruq of Egypt, and matters, on the political level, progressed fairly smoothly. The failure to issue a writ for new elections led, predictably, to an agitation by the National Front culminating, in July, in a demonstration which led to the arrest of several National Front leaders and to a severe restriction of the National Front's political activities. In November the issue of an imperial *Firman* authorizing the government to legislate by decree in the absence of a Majlis provoked another wave of agitation in favour of elections, both from the National Front and from various right wing groups who were beginning to get alarmed at the implications of some of the government's reforms and particularly at the increasing possibility of some serious measure of land reform. On January 14, 1962, a decree was issued providing for a detailed scheme of land reform, to be started immediately with a 'pilot scheme' in the Maragheh district of Azerbaijan, by which all landholdings in excess of the equivalent of one village were to be surrendered

to the government, against compensation payable over a 10-year period, for re-distribution to peasants, against purchase by them over a 15-year period.* On January 21, there was a serious riot among the students of Tehran University which was vigorously suppressed by the police and army. The origins of the riot, in which the students shouted National Front slogans, are obscure. A great many individuals and groups who wished to embarrass the government had been fishing in troubled waters—the National Front, still agitating for elections, some elements of the army, some right wing ‘independents’ who objected to land reform, the religious establishment, and the Tudeh Party. The government blamed ‘right wing elements’, and several prominent personalities identified with the right wing opposition were arrested after the riots. One eminent personality who had certainly been trying to stir up trouble for the government was General Taimur Bakhtiar, an ex-head of Military Security (Savak) who had been spending the previous few weeks conducting a personal publicity campaign, who was believed to be on good terms with the Shah, and who was believed, both by himself and by his many supporters, to be a likely alternative Prime Minister to Amini in the event of the Amini government’s being overthrown as a result of civil disturbance. After the riots Amini procured from the Shah the exile of Bakhtiar (who as an army general was directly under the orders of the Shah as commander-in-chief of the armed forces). This served as a renewed and, by this time, much needed demonstration of solidarity between the Shah and his Prime Minister.

Several things had by this time become apparent. First, that the Amini government had only a very narrow basis of popular support. Secondly, that the task of the government would be made almost impossible by the Majlis until or unless the basis of popular support had been widened. Thirdly, that it would not be possible indefinitely to prolong the unconstitutional position of governing without a Majlis. What was necessary was to widen the basis of popular support as rapidly and as effectively as possible in order to proceed as soon as possible to the election of a Majlis in which there would be an adequate measure of support for the government. Therefore, from the end of January onwards, the government, while firmly and unequivocally rejecting demands for immediate elections, devoted themselves with equal firmness to the serious implementation of the land reform decree. Hasan Arsenjani, whose enthusiasm for land reform had not up to that time been noticeably encouraged by

*This decree was followed by the resignation of the Finance Minister, Dr Behnia.

the Prime Minister, and whose impending resignation had been frequently rumoured, now came into his own. The cynics, who had first said that nothing at all would be done about land reform and who, after the decree of January 14, prophesied that it would not go beyond the Maragheh pilot scheme, now acknowledged that the government's stated intentions would have to be taken seriously.

So much for domestic political manoeuvrings under the Amini government. We must now briefly consider (a) the international reaction to the new situation created in Iran by the advent of the Amini government, and (b) the administrative activities of the Amini government.

In 1955 the principal qualification for American financial aid was still military commitment to the West. But as time went on U.S. official thinking began to accept the idea of a stable neutrality as being a better guarantee against communist penetration than an unstable alliance. In the light of this, as applied to Iran, less and less importance was attached by U.S. officials to military aid and more and more concern was manifested towards Iran's administrative deficiencies which, as U.S. observers realized, was leading to increased political and social instability. Also, in the light of developments in the cold war, the United States no longer had a vested interest in continued Irano-Russian hostility and would have been quite prepared to welcome a *détente* in relationships between the two countries. All this led to a certain amount of irritation on both sides. The Shah was lectured in private by the United States Ambassador about administrative corruption and inefficiency, which dissipated the effect of American financial assistance. The Shah complained in public about the paucity of America's military aid and accused her government of being more generous with neutrals—such as the United Arab Republic and India—than with her allies. This changing U.S. attitude was reflected in a progressive falling off in the rate of American financial assistance. Whereas for the years 1955-57 inclusive the total influx of loans and grants from abroad amounted to an average of about 100 million dollars per annum, for the years 1958-59 inclusive the average dropped to about a quarter of this.

In these circumstances the advent of the Amini government and the possibility of some serious reforms were welcomed by the U.S. government which exercised their very considerable influence in the direction (a) of prevailing upon the Shah to sustain Amini with his support and (b) of switching the emphasis of American aid from military to economic purposes.

Whatever the difference between the Shah and Amini, they were both at one in their unswerving attachment to the Western alliance since both, in their different ways, regarded this alliance as essential to the survival of the constitutional regime. But while the Shah appeared to think mainly in terms of military assistance, Dr. Amini, in his quest for loans, not only from the United States but from various Western European countries as well, was thinking in terms of the financing of economic projects whose product would, ultimately, render Iran independent of assistance from outside. For he probably realized that indefinitely continued dependence on such assistance would, in the long run, be just as disastrous to the regime as an immediate withdrawal of such assistance would be in the short run.

But the acid test for Dr. Amini lay not in the volume of foreign assistance which his government might receive, nor in the political dexterity with which he might manage his relationships with the Shah, with the army and with the various political groups, but in the extent to which his government could get the Iranian ship of state to respond to the telegraph on the bridge and its steering mechanism to respond to the movements of the helm. From this point of view the anti-corruption drive and the land reform programme had a dual objective. Apart from preventing waste, increasing productivity and conciliating the opposition, they had as their aim, by frightening government officials into a sense of duty and by breaking the prestige and influence of the provincial magnates, to make the machinery of government more responsive to direction from above.

On his accession to office, Dr. Amini was faced with the immediate administrative problem of repairing the country's financial position. The stabilization programme started by his predecessor had not yet begun to 'bite' and needed to be implemented with much more energy and amplitude. Three things were necessary: (a) to restore equilibrium to the foreign exchange position by more effective and more drastic controls on the import of goods and on the export of currency; (b) to balance the domestic budget by limiting and controlling the expenditure of government departments; (c) to avoid a further burst of inflation by trying to ensure that future capital expenditure on development schemes was accompanied by a proportional increase in productivity.

During its 15 months in office the Amini government did something to restore the foreign exchange position by drastic cuts in non-essential imports and by severe restrictions on foreign travel and purchases of foreign currency by Iranian nationals. But the efforts of

the Amini government to balance the domestic budget led to its downfall in July 1962. After the resignation of Dr. Behnia as Finance Minister in January as a result of the land reform decree, Dr. Amini had acted as his own Finance Minister until April, when Dr. Amuzegar, a brilliant young American-trained economist, took over the Ministry. The government then devoted itself to serious attempts to reduce the current budget deficit by pressure on the various ministries to reduce their estimates for the financial year which had just opened. (The Iranian financial and calendar year runs from March 21 to March 20). Almost immediately difficulties arose with the Palace about the army estimates. After protracted negotiations between the Shah on the one hand and Amini and Amuzegar on the other, it appeared that the Shah had refused to agree to the reductions which his government were demanding in military expenditure. On July 17, Dr. Amini resigned with his government, giving as his reason the inadequacy of American financial assistance. In fact the American government had made it clear that any increase in and even the maintenance of the current rate of financial assistance, whether in the form of loans or grants, would depend on reduced military expenditure and on a serious approach towards a balanced budget. After some 24 hours' delay it was announced that Dr. Assadollah Alam—generally regarded as a dedicated supporter of the Shah—had accepted the Shah's commission to form a government. When the composition of the new government was announced it was noteworthy (a) that Dr. Behnia had returned as Minister of Finance and (b) that Dr. Arsenjani remained in office as Minister of Agriculture.

The new government received a cool reception in London and Washington in that it appeared that the resignation of the Amini government represented a reversion to the rule by Palace nominees which had produced such unsatisfactory results between 1955 and 1961. The retention of Arsenjani seemed to indicate a determination to press on with land reform, or perhaps a realization that the point of no return had already been passed. But the Shah's refusal seriously to face the realities of the financial situation, and the probable American reluctance to sustain the Shah in his insistence on an undiminished military establishment, augured ill for the stability or solvency of the new government.

The government of Dr. Amini, during its 15 months of office, had pointed the way in which progress must be achieved if Iran is to avoid either revolution or deepening chaos. In their financial measures

the Amini government, in the short time at their disposal, achieved some limited success. Inflation was checked and the foreign exchange position partially restored. Plan Organization's third Development Plan (for five years starting, in theory, from September 1963) endeavoured to correct the inflationary implications of the second Plan. It envisaged a total expenditure of 2,500 million dollars over the five year period. (It must be borne in mind that Iran can reasonably expect a very much larger oil income over the period of the third Plan than was forthcoming, or reasonably to be expected, over the period of the second Plan.) Of this sum, about two-thirds is classified as 'core' expenditure and one third as 'non-core' expenditure which can be modified or abandoned if the financial resources are not available. The envisaged expenditure, both 'core' and 'non-core', is allocated approximately as follows: agriculture 20 per cent, industry 30 per cent, transport and communications 25 per cent, social affairs 25 per cent.

It seems very doubtful whether the Plan will be implemented in its present form.* First, on the assumption of the land reform programme's being proceeded with, it seems to be insufficiently geared to the financial requirements of that programme. The Plan seems to have been prepared with very little, if any, reference to land reform at all. Secondly, the present refusal to take any serious steps towards balancing the budget, and the probable consequent sluggishness of the flow of American financial assistance, make it unlikely that the financial resources will be available for anything so ambitious in the way of capital expenditure, even on the most optimistic assumptions regarding oil revenue.

The anti-corruption drive, which has been rather selective in its incidence, and rather tardy in the production of evidence against various people who have been detained, has nevertheless had the effect of exacting a much higher standard of discipline and performance from government officials of all grades, and to that extent has made the ship of state both more seaworthy and more manageable.

The other great reform which, if carried through, is likely to bulk largely in Iranian administrative and political affairs for some time to come, is the question of the re-distribution of agricultural land. Almost all countries, at some stage in their development, have been faced with an agrarian problem arising from the social and economic difficulties caused by the concentration of agricultural land in the hands of a few

*In fact, the Plan has since been revised downwards to 1,900 million dollars, of which 1,400 millions are to come from oil refineries.

rich and powerful landowners. For centuries land had been regarded as the most desirable form of investment and the most desirable form of legacy to a man's descendants. Thus the earnings and acquisitions of successful people had almost invariably taken the form of land, which tended to accumulate in the hands of a comparatively few families. (This tendency was usually accentuated by inter-marriages between landowning families with the deliberate intention of enlarging landed estates.) The usual result was (a) loss of agricultural productivity, due to the tenants' lack of incentive and the landlords' lack of ability or willingness to invest capital in their land; (b) a discontented peasantry arising both from this lack of productivity and from the onerous terms of tenure which the landlord was usually able to insist on by reason of his local political influence. Owing to other political developments this local political influence became more and more divorced from political or administrative duties and responsibilities. Thus the big landlord class, rich, idle, usually stupid and always reactionary, became more and more of an economic, social and political burden on any developing state, and a stumbling block in the way of any progressive government.

The situation had been corrected in various countries at various times and in various ways. In France, by the French Revolution when the French peasants appropriated their holdings for themselves, burnt the local chateau, killed the local landlord when they could get hold of him, and settled down thereafter to prosperous peasant proprietorship. In Britain, by taxation and particularly by heavy death duties. In Russia and in most Eastern European countries, by expropriation and collectivization. In Egypt, by statutory maximum areas of ownership and the compulsory re-distribution of the rest to small holders.

In Iran the usual disadvantages arising from unreformed big landlordism were even greater than usual. There were very large concentrations of land in the hands of a very few large landlords. It was not uncommon in some parts of the country for a single owner to possess as many as 50 villages.* Although there were some good and enlightened

*There are about 40,000 villages in rural Iran. It is estimated that about 60 per cent of arable land is owned by large landlords. About 700 landlords own more than 10 villages each. In Azerbaijan there are some landlords owning more than 100 villages. The usual system of tenancy is on the basis of dividing the crop into five parts, with one part going to the owner of the land, and the supplier of oxen, water, seed and labour respectively. Thus, when the landlord, besides owning the land, provides the water, oxen and seed, the tenant only gets one-fifth of the value of the crop for his livelihood. In some districts the tenant has to pay various taxes to his landlord as well.

landlords, the majority were ignorant of agriculture, uninterested in the welfare of their tenants and interested only in getting as much money as possible and as rapidly as possible from the estates which they rarely, if ever, visited. The effect of the system on agricultural productivity was disastrous. It has been estimated* that only 10.1 per cent of the total land area of Iran is either under cultivation or lying fallow, but that another 20 per cent is potentially cultivable.

Politically, big landlordism tended to perpetuate the unreformed system in that most of the deputies elected to successive Majlises were, by reason of the local influence exercised by provincial landowning magnates, the nominees of these magnates, who could be relied upon to defeat, to eviscerate or to nullify any legislation directed towards the re-distribution of agricultural lands. This actually happened in the Nineteenth Majlis and the problem of land re-distribution was not seriously approached until the promulgation by decree of the Land Reform Act of January 15, 1962. Briefly, the decree provides (a) that agricultural holdings in excess of the equivalent of one village and its lands be surrendered to the government against payment by the government to the landlord over a 10 year period of the value of the land so surrendered calculated in accordance with the latest valuation for taxation purposes; and (b) that holdings so surrendered be re-distributed by the government in small parcels to resident cultivators (in practice usually the sitting tenants) who shall purchase the land so acquired by them from the government over a 15 year period.

Three principal problems arise from the implementation of this Act. First, that of finance. The Act provides for a considerable time-lag between the payment of money by the government to the landlord and the payment of money by the new owner to the government. There is no provision in the Act for the financing of the gap, but it will have to be financed somehow and, if possible, in a non-inflationary way. Second, that of water. In most of the central plateaus, the lands of each village are usually irrigated by one or more qanats; property in the water and in the qanat is usually vested in the landlord; the maintenance of the qanat and the distribution of the water is the responsibility of the landlord. When the village lands are re-distributed satisfactory arrangements will have to be made for the maintenance of the qanats and for the

*See 'The Plan Organization of Iran', *Historical Review*, September 25, 1955-March 20, 1958 p. 12.

distribution of water.* Thirdly, the provision of seeds and implements and arrangements for the marketing of the crops. On big estates this is usually looked after by the landlord who normally advances his tenants money for seeds and implements on the security of the crop which is marketed by the landlord, who takes an agreed share of the proceeds as rent and also recoups himself for monies previously advanced. Arrangements are being made for the establishment of village co-operatives, which the new smallholders are being encouraged to join, and for an extension of the activities of the Agricultural Bank. But it is clear from experience elsewhere, e.g., in Egypt, that skilled, energetic, and even dictatorial government action will be necessary in order to get the co-operatives going and in order to prevent the new smallholders from lapsing into apathy, indebtedness and eventual bankruptcy.

Generally, the success of the land reform programme—assuming that it is genuinely proceeded with—will depend on whether the efficiency and enthusiasm of those inaugurating it will prove sufficient to generate in some, at all events, of the peasants themselves a sense of purpose and determination which will give the programme a momentum of its own. Such a momentum would enable the programme to make way against the passive resistance of the majority of landlords and the passive acquiescence of the majority of peasants, to provide for the rapid and intelligent improvisations which will be necessary when the paperwork breaks down and generally to make of the co-operatives genuinely co-operative ventures instead of outlying branches of government departments staffed by venal, lazy and inefficient junior officials whose instructions are either apathetically obeyed or cynically evaded.

*Qanats are underground irrigation channels, bringing the water by gravity from the nearest spring or springs to the village lands.

VIII

A BIRD'S EYE VIEW

During most of the 20 years between the first and second world wars British hegemony in the Middle East, the comparative, and temporary, weakness of communist Russia, and the existence of a stable regime in Iran, combined to prevent Iran from becoming an immediate international problem. For example, the denunciation of the d'Arcy oil concession in 1933 had no serious international repercussion and a new concession was soon negotiated after direct conversations between the two governments. But the German invasion of Russia in 1941 and the consequent Anglo-Russian occupation of Iran brought Iran from the periphery to somewhere near the centre of the international stage and here she has remained ever since.

When contemplating the successful Russian politico-military offensive into central Europe which led to the establishment and consolidation of communist regimes in Poland, Czechoslovakia, Hungary, Rumania, Yugoslavia and Bulgaria, one is apt to overlook the failure of their attempted politico-military offensive against Greece, Turkey and Iran. In each of these countries the failure of this offensive was due, in a greater or less degree, to assistance given by the Western democracies to anti-communist regimes in these countries. The immediate communist threat having been repelled, and the course of the 'cold war'—and particularly the 'balance of terror' created by nuclear armaments—having diminished almost to zero the possibility of a military invasion by Russia, the problem before the Western democracies in each of these three countries was no longer primarily a military, but a social, political and economic one. It was to assist in the building up of a viable political, social and economic order which would, at one and the same time, satisfy the nationalist aspirations of the intelligentsia, appease the economic discontents of the masses, and increase the productivity of the national economy sufficiently to provide for the orderly evolution of a state which

would be relatively immune from the blandishments of communist propaganda, relatively safe for the investment of Western capital (a particularly important consideration in Iran owing to its oil deposits), and increasingly capable of being able to maintain a stable economic existence without continued massive injections of Western financial aid.

All this postulated the continued existence of a regime which, while co-operating with the West, was increasingly able to maintain itself in power without overt reliance on the West, since such reliance, by exacerbating nationalist resentment and encouraging communist propaganda, would destroy those foundations of popular acceptance on which such a regime would ultimately have to rest. The essential condition for the continued existence of such a regime was a steadily widening base of popular acceptance. In view of the attitudes of the two principal forces—xenophobic nationalism and communism—which, in this age, were almost certain to be ranged in opposition to a regime collaborating with the West, such a widening base of popular acceptance could only be obtained—if at all—as the result of palpable material benefits accruing from collaboration with the West and of genuine social reforms inspired by the example of the West.

Popular acceptance does not necessarily imply a democratic regime. A dictatorship cannot dispense with a certain minimum of popular acceptance. The failure of the 'collaborationist' regimes to widen the basis of their popular acceptance has been the greatest problem faced by the Western Powers in their relationships with these regimes, for this failure has involved more and more massive and more and more overt assistance which has had the effect of exacerbating and exasperating domestic opposition and so of still further reducing the already too narrow base of their popular acceptance.

This failure to obtain popular acceptance has been due to a variety of causes—some arising from the inadequacies of the regimes themselves, some from the mistakes of the Western Powers. The administrative strains imposed by the receipt and application of large sums of foreign aid has not always been fully appreciated in the West. Much of this assistance has been misappropriated as the result of dishonesty, misapplied as the result of inexperience, dissipated as the result of inflation. The Americans, exasperated at the spectacle of waste, dishonesty and inefficiency, have sometimes tried to exercise too overt and too strict a supervision and, by so doing, have created political resentment among

the supporters, and supplied political ammunition to the opponents, of the regime.

Generally, the West has underestimated the inevitable initial unpopularity of 'collaborationist' regimes in the face of the (in the circumstances) inevitably popular forces of xenophobic nationalism and communism. As a result the West has often failed to appreciate the desirability of not affronting nationalist susceptibilities by too obvious a display of Western influence, Western technical superiority or even of Western benevolence. On the other hand, many collaborationist regimes, taking advantage of, and sometimes overestimating, their importance to the West, have failed to realize the urgency of competing with their domestic opponents for popular support by means of social reforms and administrative improvements.

The basic problem for the collaborationist regimes and for the Western Powers is to secure the application of Western aid in such a way as to combine the maximum of overt benefit with the minimum of overt 'imperialism'—to use a convenient generic term to cover all the various aspects of Western influence.

This brings us to the central question of 'corruption'. 'Corruption', in this context, is an emotive term used to denote all those human weaknesses which lead to the failure of projects for which adequate material resources have been made available. (The term 'sabotage' had precisely the same connotation in Soviet Russia 30 years ago.) These human weaknesses include inertia, indiscipline, inexperience, sloth, procrastination, timidity, excess of zeal, excess of caution, over-optimism and undue pessimism, as well as nepotism and lack of integrity. When an opponent of the regime uses the term he is referring to the regime as a whole. When a supporter of the regime uses it he is referring to 'certain elements' whose 'corruption' is jeopardizing the regime and which must therefore be rooted out. When foreigners use the term they tend to use it in the narrow sense of 'lack of integrity', to which they are apt to ascribe many failings which are due to other, involuntary deficiencies. The periodical demand for the punishment of 'corruption' is a sign of frustration which becomes concentrated on a demand for punishment. But, in fact, the almost inevitable inefficiency of the administrative machine of an emergent state is due much less to dishonesty than to inexperience, sloth and indiscipline. 'Corruption', when attacked on the narrow front indicated by the Western meaning of the term, too often imposes a comparative honesty at the price of greatly increased timidity and

inertia. Properly understood, an attack on 'corruption' is an attack on inefficiency, whether caused by inexperience, lack of integrity, or any other of the innumerable causes of inefficiency. The problem is not primarily a moral but a technical one which can be solved neither by eloquent exhortations nor by deterrent punishments but by time reinforced by incentives and a sense of purpose.

Meanwhile, the problem both for the collaborationist regimes and for the Western Powers is to strike a balance, or series of balances—for the emphasis shifts from time to time and from country to country—between what is technically desirable and what is politically expedient. Many lessons have been learnt on both sides. The West has learnt that it is neither reasonable to expect nor prudent to solicit expressions of gratitude in return for acts of enlightened self-interest. They have learnt that military assistance is more often used to protect an inefficient regime from the domestic results of its own inefficiency than to prepare the country for defence against a foreign invader. They have learnt that it is usually wiser to leave the regime to take such credit as may be going for the beneficent results of their assistance, while silently accepting criticisms from the regime for the inadequacy of that assistance. They have learnt that parliamentary democracy and free elections are not necessarily guarantees against oppression or recipes for efficiency. They have learnt, or are learning, that Western standards of value are not always and everywhere unquestioningly accepted as valid, and that technical superiority does not always and everywhere confer an undisputed title to moral leadership.

The collaborationist regimes have also learnt, or are learning, many lessons. They no longer attach so much importance to military supplies either for prestige purposes or to insulate the regime from a discontented populace, and attach correspondingly more importance to economic aid. They are beginning to realize that foreign aid is not a means of enabling them to do without domestic popular support, but a means of enabling them to obtain it. They are beginning to grasp the significance of the slow shift in the grand strategy of the West, which now seeks not to 'roll back' but to try and live with communism, and to realize that 'bonus points' are no longer automatically attainable as the result of a consciously provocative attitude towards communism.

With these lessons learnt, or being learnt, on both sides, relations between the collaborationist regimes and the West no longer look so shoddy as at one time they undoubtedly did and there is no longer any

reason to assume the absence of any viable midway point between a neutral and a satellite.

Within the framework of these general considerations affecting all those 'emergent' countries in Asia and in Africa with regimes which have aligned themselves politically with the West in return for the prospect of military and financial assistance from the United States, we shall now examine the particular position of Iran in its current relationships with the West, with the communist bloc, with the Arab states, and with its CENTO allies.

In general, it may be said that the alliance between Iran and the West is no longer a marriage of necessity but has become a marriage of convenience. Technical and political developments in the cold war have rendered irrelevant the original cold war conception of denying and securing territory, and rendered almost irrelevant the later conception of ideological competition. Therefore, from the Western point of view, a military alliance between Iran and the West, and ideological sympathies between Iran and the West, although they continue to be desirable, are no longer strategically or politically necessary as part of the West's grand design *vis-à-vis* the communist bloc. From Iran's point of view, the size of her oil revenues (now just over £100 million a year and likely progressively to increase) which, barring an almost unimaginable degree of political mismanagement, she would continue to earn irrespective of the nature of her political relationships with the West, render her potentially independent of the West in a financial sense. (Her politico-military independence of the West is secured by the cold war developments referred to above.)

This loosening of the ties of necessity which previously bound Iran and the West together is, it is suggested, a source of strength for the regime in Iran in that, by discounting the likelihood of bullying by the one side, and by reducing the temptations for blackmail by the other, it endows relationships between Iran and the West with an equality, a dignity and an independence which they have previously lacked. It is now possible for the West to offer assistance to Iran without being exposed to accusations of imperialism and for Iran to accept assistance from the West without incurring the stigma of being a Western satellite.

The independence conferred by this new relationship could, if properly handled, remove one of the two barriers to the increasing popular acceptance of the regime. For, in Iran, what may be termed the ideological potential of the opposition—whether in the form of

xenophobic nationalism or communism—is conferred, not by any positive attractions which xenophobic nationalism or communism may have for the Iranian people, but by the distaste felt by the Iranian people for any overt display of interference by, or undue deference towards, the West. Removal of the stigma of subservience to the West would remove the only bond of union between the two forces in opposition to the regime. Communists and xenophobic nationalists can only make common cause against the regime in so far as they can combine in a common anti-Western attack. The smaller the anti-Western target the smaller the area of possible co-operation.

In short, in its international relations as applied to the ensurance of its own survival, the regime in Iran is faced with the problem of extending the base of its popular acceptance both to the right and to the left by a deliberate policy of eschewing the fact of dependence on, and the appearance of subservience to, the West. But ability, at a pinch, to do without economic assistance from the West postulates the necessity, if serious hardship is to be avoided (and if serious hardship is not avoided the whole *raison d'être* of the regime would collapse), for greatly improved standards of administration. And it is at this point of administration that the one political objective of non-dependence on the West joins with the other political objective of reform.

Both these political objectives—non-dependence on the West and reform—have as their aim the widening of the base of popular acceptance enjoyed by the regime. The first objective—non-dependence—involves a broadening of the base both to the left and to the right from the centre. The second objective—reform—involves a broadening of the base from the centre to the left, thus changing the centre of gravity of the regime leftwards and incurring for it, as a corollary, the increasing hostility of the right, which will have to be dealt with.

Broadly speaking, a programme of radical reform can be carried out in one of two ways: either (a) from the base of a great popular movement which will give a reform programme impetus to overcome moments of inertia, concede it tolerance in face of inevitable mistakes, and assist it with improvisations when bureaucracy has reached the end of its tether; or (b) from the base of an efficient, established and ruthless bureaucracy headed by a dictator who has the will and disposes of the bureaucratic machinery effectively to impose and to carry out reforms from above. The regime in Iran is in the very real difficulty of having to try and carry through reforms in order to gain popular acceptance

(and thus at the outset being without the impetus provided by popular acceptance) without being able to call upon either a ruthless dictator or an efficient bureaucracy. In an assessment such as this it would be idle to underrate the difficulties inherent in its task. Two things however can be said. First, that the necessity for attempting it, and the implications of not attempting it, appear to be fully realized both by the Shah and by his present government. Secondly, that the right wing opposition, consisting principally of the big landlords and the religious establishment, is unlikely to prove very formidable. The left wing opposition, consisting of the National Front (which can now be regarded as a left wing movement) and the Tudeh and their sympathizers, is potentially more dangerous. But the danger from the left is not that the left will oppose the reforms, but that they will appropriate them, take control of them and run away with them. It is a question of seeing that the horse of reform neither lies down nor bolts.

The immediate problems are: (a) the improvisation of an efficient bureaucracy which will initiate the reforms, keep them under way, and keep them under control; and (b) the devising of propaganda which will generate some popular enthusiasm for the reforms. In this connection it may be said that current official Iranian propaganda seems far more interested in 'selling' the regime outside Iran than in 'selling' it inside, although the latter is by far the more urgent task.

Iran's relations with Russia have been conditioned by the circumstances of the cold war. Immediately after the second world war there was the phase of attempted direct domination by encouraging separatist movements and by overt diplomatic bullying backed by threats of invasion. The second phase was one of attempted subversion through the agency of the Tudeh Party. When this had succeeded, if only indirectly, to the extent of putting Mossadeq into power, Russia played a waiting game and so allowed the West to regain the initiative. Iran's adherence to the Baghdad Pact in 1955 evoked furious Russian hostility which was, however, mainly confined to a radio propaganda offensive and to continued encouragement of the by now proscribed Tudeh Party. Officially, Irano-Russian relations have remained correct, if not cordial, with each side expressing the desire for friendship with the other, and each side making sporadic and ineffectual efforts in that direction. It is unlikely that Russia really apprehends the danger of Iran's being used by the West as a base for an offensive against Russia; it is unlikely that Iran really apprehends any danger of being invaded by

Russia. In fact, the tension has gone out of Irano-Russian relations. The extensive trading between the two countries has not been affected by the prevailing political coolness and Iran's long frontier with Russia has, for many years, been singularly free from incidents. Iran's continued membership of CENTO is no more of a menace to Russia than it is a reinforcement to the West. At best it is a dubious insurance policy against a remote contingency. But neither country has enough to offer the other to make it worth while for either to lower its guard. Russia continues her hostile broadcasts in Farsi which do not do much harm to the regime in Iran, as a protest against Iran's membership of CENTO, which does not do any harm at all to Russia. Russian influence, whether overt or covert, is unlikely to be an important factor in expediting or in retarding the course of reform in Iran; it is no longer a very important factor in determining Iran's relations with the West. In conversations with the West, it is Iran, and not the Western Powers, which pleads the seriousness and urgency of the communist menace, sometimes perhaps with Iranian tongues firmly wedged into Iranian cheeks. The soul of John Foster Dulles, like that of John Brown, still goes marching on—particularly in the minds of America's less sophisticated allies.

Iran's relations with the Arab states are only important in the context (a) of oil, and (b) of the balance of power in the Persian Gulf. In its oil policy Iran wavers between (a) trying to use its alliance with the West, and its generally reasonable attitude towards the Western oil concessionaires, as a means of getting more favourable treatment from the Western oil companies, e.g., in respect of increases in production and consequent increases in oil revenue, than these same companies accord to the 'neutralist' Arab oil producing states; and (b) trying to form a common front, in the form of a 'producers' cartel', with the other oil producing states (not only the Arab ones) with the object of securing better prices and better terms generally, from the various concessionaires, for all the oil exporting states. Any evidence that policy (a) is succeeding will estrange Iran from her oil exporting neighbours and strengthen her ties with the West. On the other hand, any evidence that, e.g., Iraq's attitude towards the Iraq Petroleum Co. is paying better dividends in terms of increasing oil revenue than Iran's pacific attitude towards the Oil Consortium, would inevitably tend to loosen Iran's ties with the West and draw her towards a common front with the other oil exporting countries.

Apart from oil, Iran's only significant relations with the Arab States are concerned with the Persian Gulf (which most Arab States now officially refer to as the 'Arabian Gulf'). Iran was suspicious of Abdul Nasser's Arab Unity plans mainly because of the prospect of a strong and united Arab Confederation on the opposite shores of the Persian Gulf. Diplomatic relations between Iran and the United Arab Republic were broken off in the summer of 1960 and have not (by January 1963) been renewed. (They were broken off by the U.A.R. on the ground of Iran's actual trading and believed-to-be-impending diplomatic relations with Israel.) The failure of all Arab attempts at achieving political unity and the present state of extreme disunity in the Arab world are certainly welcome to Iran.

Although diplomatic relations are maintained with Iraq, and although both countries are members of the Organization of Oil Exporting Countries (O.P.E.C.), there is almost continual friction between them. There is the question of Iranian access to the Shia shrines at Nejaf and Kerbela; there is the question of the large number of Iranian subjects living in Iraq, where they are alleged to suffer from various disabilities imposed by the Iraqi Government; above all there is the question of the Shatt-al-Arab boundary. By virtue of various treaties concluded between Persia and the Ottoman Empire, the Shatt-al-Arab, a navigable stream formed by the confluence of the Tigris and the Euphrates just above the Iraqi port of Basra and flowing southwards into the headwaters of the Persian Gulf, forms the boundary between Iran and Iraq along most of its length, but the boundary line, instead of running along the talweg—or deepwater line in midstream—as is usual with riverine frontiers, runs along the low water line on the Iranian shore, meaning that the whole of the navigation channel is in Iraqi territory and under Iraqi control. This is a matter of more than theoretical importance. The oil port of Abadan and the general port of Khorramshahr are both situated on the Shatt-al-Arab and their access to and from the sea is through Iraqi waters. In 1961 the Iraqi authorities, during the course of a dispute between the two countries about berthing at Abadan, brought Abadan refinery almost to a standstill for a period of two months by refusing to provide pilotage on the Shatt-al-Arab for ships bound to or from Abadan.

The endemic discord between Iran and Iraq has recently (1961) been increased by Iran's recognition of the independence of Kuwait, which was proclaimed by the Anglo-Kuwaiti agreement of 1961, and

acknowledged both by the United Nations and by the Arab League. In spite of this the Iraqi government, ever since the proclamation of Kuwaiti independence, has persisted in claiming Kuwait as an integral part of Iraq and has made unfriendly gestures towards any neighbouring country acknowledging Kuwait's independence.

Iran's relations with Saudi Arabia have improved since that kingdom moved out of the Nasserite orbit, and are now (1962) cordial. Ali Amini, when Prime Minister, visited King Saud during the course of a pilgrimage to Mecca in the Spring of 1962.

Relations between Iran and the Arab Sheikdoms in the Persian Gulf—except for Bahrain—are conditioned by fears lest any of these Sheikdoms come under the domination of some big Arab Power—Egypt, Iraq or Saudi Arabia—and thus tilt the balance of power in the Persian Gulf away from Iran. This is a matter of particular importance to Iran now that British control over these Sheikdoms is being relaxed.

Relations with Bahrain are bedevilled by Iran's claim—first formally advanced in 1927 and never since withdrawn—to sovereignty over Bahrain, on the basis of Iran's occupation of Bahrain for some years during the eighteenth century, and on the basis of certain British official pronouncements during the nineteenth century.* This claim, which is probably no better and no worse than the Iraqi claim to Kuwait, has never been actively pursued. So long as the remaining British influence in the Persian Gulf is the principal deterrent to an Iraqi occupation of Kuwait it is unlikely to be actively pursued. For this British influence, waning though it may be, still guarantees the *status quo* in the Persian Gulf which is, on balance, favourable to Iran.

Wariness is probably the best word to describe Iran's attitude towards her CENTO neighbours—Turkey and Pakistan. Iran is perennially suspicious lest one or other of these two allies should steal a march on her either (a) by obtaining more favourable treatment than Iran in the way of military and financial assistance from the United States, or (b) by making a deal with Russia behind Iran's back. Within the framework of this general suspicion, relations are reasonably cordial if not particularly close.

Relations between Iran and her remaining neighbour—Afghanistan—are good, in spite of the traditional hostility between the two

*For a full statement on Iran's claim to Bahrain see *Bahrain Islands—A Legal and Diplomatic Study of the British-Iranian Controversy* by F. Adamiyat, Frederick A. Praeger, New York, 1955.

countries, in spite of Iran's old claim to the province and city of Herat (over which two wars with Afghanistan were fought during the nineteenth century) in spite of an endemic current dispute about irrigation rights on the Hirmand River, on the borders of Iran and Afghanistan, and in spite of Afghanistan's present friendly relations with Russia.

Apart from the permanent, impalpable threat from the north, and in spite of the nuisance of Iraqi possession of the Shatt-al-Arab, Iran is fortunate in the possession of peaceful frontiers along which no standing armies need be employed, no fortresses erected. As on her eastern and western land frontiers, so on her southern sea frontier, no hostile navy confronts her on the Persian Gulf, no Power or combination of Powers stronger than herself confronts her on the opposite shore.

Generally, Iran's problems are internal rather than external ones, requiring dexterity and efficiency at the Ministry of the Interior, at the Ministry of Finance and at the Ministry of Agriculture, rather than at the Ministry of Defence or the Ministry of Foreign Affairs. Even relations with Russia are no longer critical, or rather they are no longer controllable by Iran, since the state of these relations is determined, not by anything which Iran may or may not do, but by what may or may not be done in Washington, or London, or Moscow or Peking. The legend of British imperialism dies hard, but receives no nourishment from any evidence of British interference. The previous 'love-hate' relationship with Britain—so characteristic of nearly all Asian peoples who were confronted with Great Britain in her imperial days—has been replaced by a very different relationship with the United States. This is not an emotional 'love-hate' relationship of the kind that used to subsist with the British, but more of an 'uncle-nephew' relationship in the P. G. Wodehouse tradition—the rich, philistine, uncertain-tempered and generally rather tiresome uncle who has to be deceived, cajoled and conciliated by an indigent and spendthrift nephew into providing periodical 'loans' to meet recurring financial crises.

The extent to which Iran is getting away from the assumptions underlying this callow relationship is an encouraging sign of maturity. For it is neither as a courtesan nor as an importunate poor relation that a country can successfully achieve its 'break-through' to the economic opportunities, the social aspirations and the political realities of the second half of the twentieth century.

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